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Monetary Policy Report to the Congress

Report submitted to the Congress on Febuary 22, 1994, pursuant to the Full Employment and Balanced Growth Act of 1978[1]

MONETARY POLICY AND THE ECONOMIC OUTLOOK

Nineteen ninety-three turned out to be a favorable year for the U.S. economy, with notable gains in real output, declines in joblessness, and a further small drop in the rate of inflation. Financial conditions conducive to growth prevailed throughout the year and gave considerable impetus to activity. With the Federal Reserve keeping reserve market pressures unchanged, short-term interest rates held steady during the year at unusually low levels, especially when measured relative to inflation or inflation expectations. In addition, long-term rates declined further, partly in response to actions taken by the Congress and the Administration to put the federal deficit on a more favorable trend.

Against this backdrop, households and businesses were able to take further steps to reduce the burden of servicing debt, and more expansive attitudes toward spending and the use of credit seemed to take hold. Spending in the interest-sensitive sectors of the economy surged ahead, with particularly large advances in residential investment, business outlays for fixed capital, and consumer durable goods. The growth of real GDP picked up sharply in the second half, and the increases for all of 1993 cumulated to about 2¾ percent according to initial estimates. In the labor market, employment moved up at a moderate pace, and the unemployment rate dropped almost a percentage point over the year. Measured by the consumer price index, the rate of inflation edged lower last year, as unfavorable reports in the first few months of 1993 gave way to more subdued readings thereafter. The performance of the U.S. economy stood in sharp contrast to the continued sluggish growth in many of the other industrial countries and helped to buoy the trade-weighted value of the dollar on foreign exchange markets.

In conducting policy through 1993, the Federal Open Market Committee recognized that it was maintaining a very accommodative stance in reserve markets. Reserve conditions had been eased to this degree over the preceding four years to counter the effect of some unusual factors restraining aggregate demand. The Committee recognized that as these forces abated, short-term interest rates would likely have to rise to forestall inflationary pressures that would eventually undermine the expansion.

Toward the end of 1993 and into early 1994, incoming data on the economy and credit flows have increasingly conveyed a picture of considerable underlying strength. The marked speedup of growth in the economy has been reducing spare capacity, as is evident in the recent declines in unemployment and increases in capacity utilization rates in industry. Moreover, while movements in broadly based price indexes have remained relatively favorable, there also have been undercurrents suggesting that the process of disinflation might be stalling out. In particular, after slowing considerably in 1992, nominal increases in hourly compensation—comprising wages and benefits—fell no further in 1993, and long-term inflation expectations remain stubbornly above recent inflation rates. Also, commodity prices generally have firmed in recent months.

Earlier this month, the Federal Reserve concluded that the weight of the evidence indicated that undiminished monetary stimulus posed the threat that capacity pressures would build in the foreseeable future to the point where imbalances would develop and inflation would begin to pick up. At its February 1994 meeting, the Federal Open Market Committee determined that it was time to

1. The charts for the report are available on request from Publications Services, Board of Governors of the Federal Reserve System, Washington, DC 20551.

move to a slightly less accommodative stance. While the discount rate remained at 3 percent, the federal funds rate edged up to trade around 3¼ percent, a little above the prevailing rate of inflation.

Strength in spending last year was supported by increased borrowing by both households and businesses. Continuing declines in a number of interest rates, which sparked considerable refinancing of existing obligations, helped to trim debt service burdens for both sectors, undoubtedly facilitating the pickup in borrowing and spending. Indicators of financial stress, including loan default rates and bankruptcy filings, took a decided turn for the better in 1993. Borrowing by households was robust enough to raise the ratio of debt to disposable income; business debt, held down in part by equity issuance, declined relative to income. The total debt of all nonfinancial sectors is estimated to have grown about 5 percent last year, the same as in 1992, as a diminution of the net funding needs of the federal government was about offset by the pickup in private demand. This growth placed the debt aggregate in the lower half of its 4 percent to 8 percent monitoring range.

The growth of M2 slowed in 1993, albeit considerably less than the deceleration in nominal GDP. For the year, M2 advanced 1½ percent, placing it a little above the lower bound of its 1 percent to 5 percent annual growth cone. M3 expanded ½ percent, the same pace as in 1992 and a bit above the lower bound of its 0 percent to 4 percent annual range. The ranges had been adjusted down by the Federal Open Market Committee during 1993. The adjustments were technical in nature and reflected the Committee's judgment as to the extent of the ongoing distortions of financial flows relative to historical patterns and of consequent increases in velocities—that is, the ratios of nominal GDP to money.

The special factors shaping the growth of the monetary aggregates included a marked preference by borrowers for capital market financing rather than bank loans and a configuration of market returns that enticed investors away from the traditional financial products offered by depositories. Bond and stock mutual funds were the primary beneficiaries of this shift, with inflows into such funds in 1993 setting a new record. This continuing redirection of credit flows has rendered the movements of the broad monetary aggregates less representative of the pace of nominal spending than was evident in the longer historical record. In 1993, nominal GDP grew a shade more than 5 percent, or 3¾ percentage points above the rate of expansion of M2 and 4½ percentage points above that of M3.

Most of the increase in the broad aggregates was recorded in their M1 component, which grew 10½ percent in 1993, as low money market and deposit interest rates provided little reason to forgo the liquidity of transaction deposits. At times during the year, declines in longer-term market rates produced waves of mortgage refinancing, an activity that is associated with temporary flows through the transaction deposits that are counted in M1. In addition, the currency component expanded at about the same rate as the M1 total, spurred by considerable demands from abroad. The double-digit expansion of M1 deposits pushed reserves up at a 12½ percent rate in 1993, while the monetary base, which includes reserves and currency, increased 10½ percent, the same rate as was posted in the previous year.

Money and Debt Ranges for 1994

At its July 1993 meeting, the Committee provisionally chose the same ranges for 1994 as it had established for 1993—1 percent to 5 percent for M2 and 0 percent to 4 percent for M3 and a monitoring range of 4 percent to 8 percent for the domestic nonfinancial debt aggregate. At that time, the Committee noted that disturbances to the historical relationships between the aggregates and spending required that the actual determination of these ranges for 1994, in February of this year, be made in light of additional experience and analysis.

As noted above, the velocities of M2 and M3 increased further in 1993, but at a slower rate than in the previous year. This deceleration might indicate that the forces that had distorted the aggregates over the past few years, while still potent, were beginning to wane. The yield curve, although quite steep, now offers investors less inducement to move outside M2 in search of better returns than at any time in the past three years. Additionally, firms, having strengthened their financial positions, may feel more comfortable taking on shorter-term obligations and, therefore, may direct more of their business to depositories. Banks, which are better capitalized and whose assets are more liquid, should be in a strong position to meet those needs. Still, capital markets will provide attractive alternatives to the depository sector, suggesting that the forces tending to divert funds from depositories—and to raise the velocities of the monetary aggregates—will continue to be important. However, the strength of these forces, and whether or how quickly they might be abating, remain difficult to judge.

Against this background, the Federal Open Market Committee at its most recent meeting reaffirmed the annual growth ranges for the money and credit aggregates that it had chosen provisionally last July (table 1). The annual ranges appear to be sufficiently wide to encompass growth of M2 and M3 consistent with Committee members' expectations for nominal income under a variety of alternatives for the behavior of the velocities of the aggregates. If the forces depressing the demand for money relative to income were to persist unabated in 1994, M2 and M3 might be in the lower portion of their cones; should M2 and M3 move closer to their former alignments with spending—buoying the demands for those aggregates and depressing their velocities—then outcomes in the upper portion of the ranges would be expected. The Committee will watch the monetary aggregates closely during the course of the year for evidence on unfolding economic and financial conditions. Given uncertainties about velocity behavior, however, that information will necessarily be assessed in combination with a variety of other financial and economic indicators as the Committee formulates policy. Through 1994, as was true last year, the Committee's primary concern will be to foster financial conditions that help contain price pressures and sustain economic expansion, and it will have to assess the rates of money growth consistent with these objectives as the year goes on.

Debt growth, which has moved in closer alignment with nominal income over the past few years than have the monetary aggregates, will again be monitored in light of a 4 percent to 8 percent annual range. With the federal sector's demands on the pool of saving diminishing, the Committee envisions that an unchanged range would be associated with some pickup in borrowing by the private sector. Healthier balance sheets, lighter debt service burdens, heavier capital spending, and more eager lenders should all act to boost the expansion of nonfederal debt. Overall, the debt of the nonfinancial sectors is expected to grow again at about the pace of nominal income.

1. Ranges for growth of monetary and debt aggregates

Percent

Aggregate	1992	1993	1994
M2	2½–6½	1–5	1–5
M3	1–5	0–4	0–4
Debt[2]	4½–8½	4–8	4–8

1. Change from average for fourth quarter of preceding year to average for fourth quarter of year indicated. Ranges for monetary aggregates are targets; range for debt is a monitoring range.

2. Domestic nonfinancial sector.

Economic Projections for 1994

In general, the governors and Reserve Bank presidents anticipate that 1994 will be another year of progress for the economy, with low inflation and financial market conditions continuing to provide a setting conducive to sustaining moderate economic growth and rising employment opportunities.

The Federal Reserve officials' forecasts of real GDP growth over the four quarters of 1994 span a range of 2½ percent to 3¼ percent, with the central tendency of the forecasts being 3 percent to 3¼ percent (table 2). The governors and Reserve Bank presidents anticipate that the rise in real GDP will be accompanied by a further increase in labor productivity. Nonetheless, employment gains are expected to be sufficient to bring about some fur-

2. Economic projections of FOMC members and nonvoting Reserve Bank presidents for 1994

Percent

Measure	Range	Central tendency
Change, fourth quarter to fourth quarter[1]		
Nominal GDP	4¼–7½	5½–6
Real GDP	2½–3¼	3–3¼
Consumer price index[2]	2¼–4	About 3
Average level, fourth quarter		
Unemployment rate[3]	6½–6¾	6½–6¾

1. Change from average for fourth quarter of preceding year to average for fourth quarter of year indicated.

2. All urban consumers.

3. Civilian labor force.

ther reduction in the degree of labor market slack over the four quarters of the year. Forecasts of the unemployment rate in the fourth quarter of 1994 span a range of 6½ percent to 6¾ percent. Because of changes in survey design, a comparable rate for the fourth quarter of last year is not available; however, the Bureau of Labor Statistics has estimated that the fourth-quarter rate would have exceeded 7 percent on the new basis.

The sectoral composition of growth in 1994 may well resemble that of 1993. The financial adjustments of recent years have left households better positioned and more willing to boost spending. Moreover, with employment rising, real income growth should be supportive of increased consumer expenditures in the coming year, despite the higher taxes confronting some households. Business investment seems likely to be pushed ahead by ongoing efforts to modernize and by further declines in computer prices. By contrast, further cuts in federal outlays for defense likely will continue to be a factor restraining the growth of aggregate demand. With the passage of time, the more accommodative monetary policies now in place in a number of countries, together with the moderate fiscal stimulus in Japan, are likely to lead to a gradual pickup in the rates of growth of foreign industrial countries and U.S. exports. However, U.S. imports from abroad will likely continue to move up at a brisk pace. Net exports of goods and services thus may decline somewhat further, albeit at a slower rate than they have over the past year.

The majority of the governors and Bank presidents expect inflation in 1994 to run a shade higher than in 1993. Most of their forecasts for the rise in the consumer price index are close to 3 percent, although the full range of forecasts extends from a low of 2¼ percent to a high of 4 percent. Several developments are likely to work against better inflation performance in 1994. In agriculture, a poor harvest in 1993 has left some crops in very tight supply, and the risk of unfavorable food price developments is greater than it has been in recent years. In addition, although the future course of energy prices is uncertain, a repeat of last year's declines, which helped to hold down the overall CPI, cannot be counted on. More fundamentally, the recent narrowing of the degree of slack in the labor and product markets suggests that competitive pressures damping wage and price increases will be less strong and less pervasive than they have been recently.

The central tendencies of the forecasts of GDP growth, unemployment, and inflation are quite similar to the projections put forth by the Administration in its recent reports. Moreover, insofar as the Administration's numbers were predicated, in part, on the assumption that short-term interest rates would rise modestly in 1994, the recent tightening action by the Federal Reserve does not appear to be inconsistent with the Administration's outlook.

Prospects for sustained growth over the longer run have been bolstered by policy actions on a number of fronts. Considerable work remains to be done, however. Although recent fiscal measures have been helpful in bringing about declines in the federal budget deficit, the Congress and the Administration still must deal with some difficult issues to ensure that the deficit is kept on a downward course through the latter part of the 1990s and into the next century. In the area of trade policy, the nation's long-standing support of an open world trading system was reaffirmed this past year in the form of passage of the North American Free Trade Agreement and the agreement in the Uruguay Round—actions that will yield important benefits over time not only to the United States but also to its trading partners. Nonetheless, serious obstacles to free trade remain. On a wide range of regulatory issues, the Congress and the Administration face decisions that have the potential to promote—or to damage—the flexibility in labor and product markets and the processes of innovation and investment that are so critical to long-run economic progress. In the area of monetary policy, the challenge is to build on the favorable price performance of late in a situation in which the economy will likely be operating closer to full capacity than it has in recent years. With success in keeping the economy on course toward the long-run goal of price stability, the prospects for sustained expansion will be greatly enhanced.

THE PERFORMANCE OF THE ECONOMY IN 1993

The economy recorded significant gains in 1993, lifted, as in 1992, by a surge in activity in the latter part of the year. Job creation picked up, and the unemployment rate fell appreciably. Inflation continued to trend lower.

The rise in real GDP over the year amounted to 2.8 percent, according to the Commerce Department's first estimate. For a second year, the growth of activity was propelled chiefly by rapid gains in the investment outlays of households and businesses. Households boosted their purchases of homes and motor vehicles considerably, and spending for household durables also rose rapidly. Business investment in computers continued to grow at an extraordinary pace in 1993, and outlays for other types of capital equipment strengthened. Investment in nonresidential structures, which had gone through a protracted decline in the latter part of the 1980s and early 1990s, rose moderately last year. Bolstered by the gains in these sectors, the four-quarter rise in the final purchases of households and businesses amounted to about 5 percent in real terms in 1993, matching the large 1992 rise. Not since the 1983–84 period had private final purchases exhibited a comparable degree of strength.

The increase in private spending in 1993 was augmented by a pickup in the spending of state and local governments, especially for construction. By contrast, real federal purchases of goods and services—the part of federal spending that is included in GDP—fell sharply, as outlays for national defense continued to trend lower. The federal budget deficit declined somewhat in fiscal 1993 but remained quite large both in absolute terms and relative to nominal GDP. The combined deficit in the operating and capital accounts of state and local governments increased further.

Growth of the economy continued to be significantly influenced in 1993 by the changing patterns of transactions with foreign economies. The weakness of activity in a number of foreign countries that are major trading partners of the United States tended to slow the rise of U.S. exports of goods and services. At the same time, a significant portion of the rise in domestic spending in this country continued to translate into rapid increases in imports. Net exports of goods and services thus fell for the second year in a row, after a run of several years in which real export growth had outpaced the growth of real imports by a considerable margin.

The CPI rose 2.7 percent over the four quarters of 1993, after increases of about 3 percent in both 1991 and 1992. Price increases were damped last year by falling oil prices, near-stable prices for non-oil imports, and a further rise in labor productivity, which held down production costs in the domestic economy.

The Household Sector

Consumer spending recorded a second year of brisk growth in 1993. Support for the rise in expenditures came from declines in interest rates and moderate increases in real incomes. Household balance sheets continued to strengthen in 1993 and debt servicing burdens diminished, easing the financial strains that had inhibited spending earlier in the 1990s.

In real terms, the 1993 advance in personal consumption expenditures amounted to about 3 percent, measured to the year's fourth quarter from the fourth quarter of the previous year. After surging in late 1992, growth of real outlays slowed in the first quarter of 1993. Whatever tendency there may have been for a "payback" after a period of unusually rapid growth was reinforced by a severe late-winter storm on the East Coast, which temporarily hurt retail sales. Thereafter, spending proceeded at a relatively strong pace over the remaining three quarters of the year.

Consumer expenditures for motor vehicles increased 6 percent in real terms over the four quarters of 1993, after rising 9 percent the previous year. The advance in expenditures continued to come partly from the replacement needs of individuals who had put off buying vehicles earlier in the 1990s, as well as from growth in consumers' desired stock of vehicles. Increasingly, buyers have opted for vans, light trucks, and other vehicles instead of cars, and annual sales of these vehicles in 1993 reached the highest level on record. Car sales also rose, but they remained well below previous highs. Data for January of this year showed strong gains in the unit sales of both cars and trucks.

Expenditures for a number of other types of durable goods also rose rapidly in 1993. Outlays for furniture and appliances scored further hefty gains, in conjunction with sharp increases in sales of new and existing homes. Consumer purchases of home computers and other electronic equipment remained on a steep uptrend. In total, outlays for durable goods other than motor vehicles increased nearly 9 percent over the year, after a rise of 10 percent in 1992. Other types of consumer expenditures, which typically exhibit less cyclical variation than do outlays for durables, rose moderately, on balance, during 1993. Consumer purchases of nondurable goods increased about 1¾ percent, after a jump of more than 3½ percent in 1992. Spending for services rose 2¾ percent during 1993, the same increase as reported for the previous year.

Real income continued to advance in 1993, although its trend was masked by tax considerations that caused a sizable volume of bonuses that would have been paid to workers in early 1993 to be shifted into the latter part of 1992. Abstracting from these shifts in timing, the beneficial effects of continued economic expansion showed through in most categories of income, much as they had in 1992. Wage and salary accruals, a measure of income as it is earned rather than as it is disbursed, rose about 4½ percent in nominal terms over the four quarters of 1993, considerably outpacing the rate of inflation for the second year in a row. Further gains also were reported over the course of 1993 in dividends and in the income of proprietors, both farm and nonfarm. Transfer payments, which tend to vary inversely with the state of the economy, slowed in 1993 after rising at rates of 10 percent or more in each of the four previous years. Interest income, which had declined on net in 1991 and 1992, edged up slightly over the four quarters of 1993. Because of the shift in timing of bonuses, growth of real disposable income in 1993 was less than in 1992. However, the cumulative gain over the two-year period was about 6 percent, a clear step-up from the performance of the three previous years, when real income growth had averaged less than 1 percent per year.

The personal saving rate—measured as the percentage of nominal after-tax income disbursements that are not used for consumption or other outlays—declined nearly 2 percentage points, on net, over the course of 1993. However, the saving rate in late 1992 had been temporarily elevated by the aforementioned speedup of bonus payments. Looking through that blip of late 1992, a downward drift still is evident in the saving rate from mid-1992 to the end of 1993. Such a pattern is not uncommon when economic recovery is taking hold and consumer purchases of durable goods are rising rapidly. In effect, households have been holding part of their saving in the form of consumer durables, which, at the time of purchase, are counted fully as consumption in the national accounts, but which in reality will yield households a flow of services over time.

Consumer reliance on credit picked up in 1993. The volume of consumer credit outstanding rose 5¾ percent during the year, after three years in which credit growth had been quite subdued. Growth of consumer credit was especially rapid in the final quarter of the year—about 9 percent at an annual rate. The mortgage debt of households rose about 7 percent from the end of 1992 to the end of 1993, slightly more than in either of the two previous years.

Continued improvement was evident on the asset side of household balance sheets in 1993. As in 1992, the total nominal value of household assets increased at a pace moderately faster than the rate of inflation. Large increases in stocks and bonds boosted the nominal holdings of financial assets, more than offsetting a reduction in the aggregate holdings of deposits and credit market instruments. The nominal value of tangible assets was lifted by heavy investment in consumer durables and residential structures and by a rise in the average price of existing residential properties. With the jump in growth of consumer credit and the slight pickup in the growth of home mortgage debt, household liabilities rose somewhat faster than in 1992. Nonetheless, net worth appears to have increased, probably in real terms as well as in nominal terms. The incidence of financial stress among households diminished further in 1993, as delinquency rates on various types of household debt continued to decline, in some cases to the lowest levels since the first half of the 1970s. According to survey data, households' own assessments of their financial situations have improved of late, with some survey readings the most upbeat in more than three years.

Residential investment increased about 8 percent in real terms over the four quarters of 1993, building on the 18 percent rise of 1992. As in 1992, most of the advance came from increased construction of new single-family homes. The construction of multifamily housing continued to be adversely affected by a persistent overhang of vacant rental units.

In the single-family market, impetus for activity continued to come mainly from declines in mortgage interest rates, which by autumn had dropped to the lowest levels in more than two decades. Fairly sharp declines in mortgage interest rates took place early in the year, but the effect of those declines on housing activity was apparently short-circuited for a time by a number of influences. A severe blizzard on the East Coast in mid-March temporarily waylaid the start-up of construction in that region, and a huge run-up in lumber prices during late winter also may have discouraged some new construction for a while. Concerns about the possible loss of jobs perhaps continued to deter some potential homebuyers. Other buyers may simply have been holding back, waiting to see how far rates eventually would fall.

In any event, the effects of the drop in mortgage rates began to show through with greater force over the summer and fall, and considerable strength had emerged by year-end in all the major indicators of single-family housing activity. Sales of existing homes rose almost without interruption from April on. By the fourth quarter they had climbed to the highest level on record (the series goes back to 1968). Sales of new homes proceeded in somewhat choppier fashion from month to month, but by the end of the year they had moved well toward the upper end of their historical range. Housing construction also strengthened. The number of single-family starts increased about 18 percent from the second quarter to the fourth quarter, rising to the highest quarterly level since 1979. Although housing starts fell sharply in January, the decline probably was in large measure a reflection of the unusually bad weather across the country that month. According to survey data, consumers' assessments of home-buying conditions continued to be very upbeat in January and early February. Builders' ratings of the market edged down a touch in early 1994 but remained at a very favorable level.

Activity in the multifamily housing market remained depressed in 1993. In the mid-1980s, tax incentives and relatively easy availability of credit encouraged overbuilding in many locales. The proportion of multifamily rental units that were vacant soared and has remained high subsequently, even as construction of multifamily units has dwindled. Starts of these units reached the lowest levels on record early in 1993, and they picked up only modestly thereafter, despite restoration of tax credits for low-income units.

The Business Sector

The year 1993 saw appreciable gains in most important barometers of business activity. Output of the nonfarm business sector increased 3¾ percent during the year, the same as the rise during 1992. Profits rose further, and business balance sheets continued to strengthen. Capital spending surged.

In the industrial sector, production rose 4¼ percent during 1993, the largest advance in six years. Gains of at least moderate proportions were reported in each quarter of 1993. The gain in the year's final quarter was quite large—on the order of 6½ percent at an annual rate. Output of business equipment held to a strong uptrend throughout the year, as did the production of materials that are used as inputs in the durable goods industries. Output of construction supplies rose moderately in the first half of the year and at a stronger pace in the second half. Motor vehicle assemblies also rose appreciably, with strength early in 1993 and in the year's final quarter more than offsetting a stretch of sluggishness through the middle part of the year. By contrast, output of consumer goods other than motor vehicles rose only modestly, and production of defense and space equipment fell 9½ percent further, extending a downward trend that began in 1987. In January of this year, industrial production rose 0.5 percent. Severe winter weather and the California earthquake cut into the growth of production in the manufacturing sector in January, but the output of utilities was boosted by increased heating requirements. Underlying support for industrial production is coming from large gains in new orders that were reported toward the end of 1993.

The amount of spare capacity in the industrial sector continued to diminish in 1993 and early 1994. The utilization rate in January was 83.1 percent. The rate has increased more than two percentage points during the past year, to the highest level since the second half of 1989. In manufacturing, capacity use in primary processing industries has been running above its long-run average for more than a year, and the rate of utilization in advanced processing industries recently has moved up into line with its long-run average.

Corporate profits, which had surged in 1992, increased an additional 6½ percent over the first three quarters of 1993 and appear to have risen further in the year's final quarter. Financial institutions in general continued to benefit in 1993 from the persistence of a relatively wide margin between their cost of funds and the interest rates on their assets; insurers' profits suffered less drag from natural disasters than in 1992, the year of hurricane Andrew. The profits of nonfinancial corporations moved up slightly further over the first three quarters, boosted by the rise in the volume of output over that period. Operating profits per unit of output held fairly steady, close to the high level reached in the final quarter of 1992. Although nonfinancial corporations raised their prices by only a small amount over those three quarters, they were able to maintain unit profit margins through continued tight control over costs. Gains in productivity restrained the rise in unit labor costs, and net interest expenses per unit of output continued to decline.

Business fixed investment increased about 15 percent in real terms over the four quarters of 1993, after a rise of 7½ percent in 1992. A spectacular increase in outlays for office and computing equipment accounted for about one-half of the 1993 gain. Business expenditures for these items increased more than 25 percent in nominal terms over the year, the steepest annual gain since 1984, and the rise in real terms was greater still. Technological advances embodied in the latest computers made them far more powerful than equipment that was at the forefront only a few years ago, and highly competitive market conditions kept prices on a downward course. More real computing power thus continued to become ever more accessible, and the many businesses eager to boost labor productivity and overall operating efficiency provided a huge market for the new products.

Excluding office and computing equipment, outlays for capital equipment increased about 11 percent in real terms during 1993, the biggest rise in ten years. Business expenditures for motor vehicles advanced about 13 percent, as investment in trucks, which had strengthened considerably in 1992, climbed further. Factories producing heavy trucks were operating at or near full capacity at year-end. Spending for communication equipment also advanced sharply, as did real outlays for many other types of machinery and equipment. Diminished slack in many industries and expectations of continued business expansion were among the chief factors giving rise to the increase in these outlays. Ample cash flow from internal operations provided a ready source of finance.

Commercial aircraft was the most notable exception to the general upward trend in equipment spending. Outlays for aircraft plunged in the second half of 1993, and survey data suggest that spending will remain weak in 1994. The reductions in outlays had been foreshadowed by earlier declines in new orders for commercial aircraft, and producers of aircraft have been scaling back their operations for some time.

Business investment in structures rose nearly 5 percent in 1993, the first annual increase since 1989. Declines in the intervening years had cumulated to about 18 percent. Within the sector, divergent trends were evident once again. Outlays for the construction of office buildings fell for the sixth consecutive year, to a level two-thirds below the peak of the mid-1980s. Several indicators suggest, however, that the worst of the decline in office construction might be over. The rate at which real outlays fell in 1993 was much smaller than the declines of the three previous years. In addition, the national vacancy rate for office buildings, while still quite high, moved down somewhat; improvement was most noticeable in suburban areas, where vacancy rates previously had been the highest. The value of contracts for construction of office building firmed over the course of 1993. Prices of office buildings continued to trend lower, but survey data suggest that the rate of decline has eased in at least some markets.

Investment increased for most other types of structures in 1993. Outlays for industrial structures, which had declined sharply in 1991 and 1992, rose about 8 percent, on net, over the four quarters of 1993. Outlays for commercial structures other than office buildings increased fairly briskly for a second year; by the fourth quarter, they had retraced about 40 percent of the steep decline that took place during 1990 and 1991. Investment in drilling also rose in 1993, as incentives from rising prices for natural gas apparently offset the disincentives associated with falling oil prices. Spending for other types of structures rose by a small amount in the aggregate.

Swings in business inventory investment played only a small role in the economy in 1993. Inventory accumulation in the nonfarm business sector picked up in the early part of the year, but thereafter, the rate of stockbuilding slowed. Accumulation for the year as a whole was of only modest proportions, especially when compared with the rates of buildup seen during previous business expansions. Conceivably, the usual cyclical patterns in inventory change have been tempered to some degree by the more sophisticated inventory control procedures that have become widespread in the business sector in recent years. Toward year-end, inventories appeared to be comfortably aligned with sales in most industries and were lean in some. Most notable among the latter were the stocks of motor vehicles, which were drawn down by production delays through the summer and strength in sales through the latter part of the year. In view of those developments, producers of motor vehicles have scheduled a further hefty rise in production for the current quarter, with assemblies slated to move up to the highest quarterly rate in more than fifteen years.

In the farm sector, inventories declined in 1993. Stocks were pulled down by weather-related reductions in crop output, especially in parts of the Midwest, where the worst flood of the century caused millions of acres to be left idle and cut deeply into yields on the acres that were planted. Inventories of a number of major field crops are in tight supply, in some cases the tightest since the mid-1970s. Farmers whose crops were hurt by weather suffered income losses in 1993, while the producers whose crops were not hurt benefited from rising prices. Total net farm income thus appears to have held in the range of other recent years, at a level well within the extremes of either boom or bust.

Trends in business finance remained favorable in 1993. Business expenditures for fixed capital and inventories were financed almost entirely with funds generated internally, and, in the aggregate, the relatively little external financing that did take place came partly from positive net issuance of equity. Growth of debt was slow, both in absolute terms and relative to the high rates of debt growth seen in the 1980s. With little growth in debt and interest rates down, the portion of business cash flow required for the repayment of principal and interest declined further in 1993. All this seemed to augur well for sustained expansion of the business sector and the economy.

The Government Sector

Federal purchases of goods and services, the portion of federal outlays that are included in GDP, fell more than 6 percent in real terms over the four quarters of 1993. Real outlays for national defense, which have been trending down since 1987, declined nearly 9 percent over the year. Growth of nondefense outlays fell slightly, on net, after fairly sizable increases in each of the three previous years. The level of real federal purchases in the fourth quarter of 1993 was down about 10 percent from the peak of six years earlier. Real defense purchases dropped about 20 percent over that six-year stretch.

Total federal outlays, measured in nominal terms in the unified budget, rose 2 percent in fiscal 1993, the smallest increase in six years. Outlays for defense fell about 2½ percent in nominal terms, and net interest payments were down slightly—the first decline in that category since 1961. Net expenditures for deposit insurance, which had been slightly positive in 1992, were negative in fiscal 1993, held down in part by delays in funding the activities of the Resolution Trust Corporation. Federal spending for income security slowed from the rapid pace of 1991 and 1992, as economic expansion led to a reduction in outlays for unemployment compensation and a less rapid rate of increase in outlays for food stamps. Growth in federal expenditures for Medicare and other health programs also slowed, but their rate of increase continued to exceed the growth of nominal GDP by a considerable margin.

Growth of federal receipts picked up a bit in fiscal 1993, to a pace roughly matching that of nominal GDP growth. Combined receipts from individual income taxes and social insurance taxes, which account for about 80 percent of total federal receipts, rose about 5½ percent, after a gain of 3 percent in fiscal 1992. Receipts from corporate income taxes, which account for about half of the remaining receipts, increased more than 17 percent in fiscal 1993, after only a small gain in the previous fiscal year.

Taken together, the slowing of federal outlays and the pickup of receipts led to a decline in the size of the federal budget deficit in fiscal 1993, after three years of sharp increases. The 1993 deficit amounted to $255 billion and was equal to 4.0 percent of nominal GDP. The previous year, the deficit had amounted to $290 billion and was equal to 4.9 percent of nominal GDP. In fiscal 1989, toward the end of the last economic expansion, the size of the deficit relative to nominal GDP had reached a cyclical low of 2.9 percent.

In the state and local sector, receipts moved up about in step with the growth of nominal GDP in 1993, but state and local expenditures rose still faster. In nominal terms, the increases in spending cumulated to a rise of about 6¾ percent over the four quarters of the year. State and local transfer payments to persons have slowed from the extraordinary rates of increase seen in the early 1990s, a reflection of improvement in the economy and intensified efforts among state and local governments to tighten control over these types of outlays. Nonetheless, the rate of rise in these payments remained in excess of 10 percent in 1993. Nominal purchases of goods and services rose moderately, but at a pace somewhat faster than that of 1992. The deficit in the combined operating and capital accounts of state and local governments widened further during the first three quarters of the year, from an end-of-1992 level that already was quite sizable; in the fourth quarter, the deficit apparently shrank, but not by enough to fully retrace the earlier increases.

In real terms, purchases of goods and services by state and local governments increased 3 percent over the four quarters of 1993, after gains of about 1½ percent per year in both 1991 and 1992. State and local expenditures for structures rose more than 9 percent in real terms over the year, according to preliminary data. Some of the spending went for the repair or replacement of structures that had been damaged in recent natural disasters, such as the summer flooding in the Midwest. In addition, the efforts of state and local governments to cope with the needs of growing populations prompted increased investment in schools, highways, and other state and local facilities. Low interest rates probably convinced state and local officials to undertake more of this new construction in 1993 than they would have otherwise. Growth in other types of state and local purchases continued to be fairly restrained in 1993. Employee compensation, which makes up roughly two-thirds of state and local purchases, rose about 1¼ percent in real terms during the year, the same as in 1992. Employment growth in the state and local sector was slow by historical standards again in 1993, and increases in hourly compensation were relatively small. State and local purchases of goods rose only moderately.

The External Sector

The trade-weighted foreign exchange value of the U.S. dollar, measured in terms of the other Group of Ten (G-10) currencies, rose nearly 6 percent on balance from December 1992 to December 1993. The dollar's 1993 rise in real terms (that is, adjusted for movements in relative consumer prices) was slightly greater than its rise in nominal terms, as U.S inflation exceeded weighted-average inflation in the other G-10 countries by about ½ percent. The dollar's rise continued into the early weeks of 1994, but by mid-February it had fallen back to a level a bit below its average in December 1993.

The main factor behind the strengthening of the dollar last year appears to have been the general downward revision in perceptions of the strength of economic activity in a number of foreign countries while activity in the United States seemed to be improving on balance, especially in the latter part of the year. The weakening of activity abroad contributed to large declines in interest rates in the foreign G-10 countries, both in absolute terms and relative to levels of interest rates in the United States. On average, foreign short-term rates fell nearly 3 percentage points relative to U.S. rates last year, and foreign long-term rates fell about 1 percentage point relative to U.S. rates. Foreign short-term rates have changed little on average during the first few weeks of 1994, while long-term rates have edged higher.

The dollar rose 8 percent against the mark and by similar amounts against other currencies in the exchange rate mechanism (ERM) of the European

Monetary System during 1993. It appreciated a bit further, on balance, in early 1994. Potential existed for much greater divergence of dollar exchange rates against these currencies as the result of a widening of permitted fluctuation margins following the ERM crisis last summer. Strains developed in the ERM in July and August on growing expectations that weakness in the French economy and an anticipated recovery of the German economy would cause French authorities to reduce interest rates ahead of German rates. Growing pressure on the French, Belgian, Danish, and Iberian currencies led to massive foreign exchange intervention, sharp increases in short-term interest rates in those countries, and in early August, a substantial widening of the ERM margins. Later, market pressures eased and interest rates returned to their pre-crisis levels as it became clear that these countries would not make use of the wider margins to ease policy, and as the German economy showed signs of weakening further.

The pound, which had depreciated sharply against the dollar in late 1992 after U.K. authorities pulled it from the ERM and substantially lowered interest rates, fell an additional 4 percent relative to the dollar during 1993. The Italian lira depreciated nearly 20 percent against the dollar last year, reflecting market concerns over political uncertainties and massive budget deficits in Italy. Similar concerns, although on a smaller scale, contributed to the Canadian dollar's depreciation against the U.S. dollar of about 4 percent during 1993.

The Japanese yen was the only currency of a foreign G-10 country to appreciate against the dollar in 1993, rising on balance about 11 percent. The dollar–yen exchange rate appeared to be subject to two conflicting sets of pressures last year. During the first eight months of the year, the dollar depreciated nearly 20 percent against the yen, as market attention appeared to be focused mainly on the rising Japanese external trade surplus and perceived political pressures from abroad, particularly from the United States, to reduce this surplus. The dollar reached a low of almost 100 yen per dollar last August. At that point, statements by U.S. officials expressing concern over the implications of the yen's strength for Japanese growth, accompanied by U.S. intervention support for the dollar, appeared to shift the market's main focus from these external considerations back toward the Japanese domestic economy. Over the latter part of the year, as economic activity in Japan continued to weaken and Japanese interest rates moved lower, the dollar rose against the yen, partially offsetting its earlier decline. That uptrend was halted in February 1994, however, in the face of renewed trade tensions between the United States and Japan, and the dollar fell back close to the low reached in August.

The dollar depreciated slightly in real terms on average against the currencies of major U.S. trading partners among developing countries in Latin America and East Asia in 1993. The Mexican peso rose 6 percent, despite a period of downward pressure amid uncertainty about the outcome of the U.S. congressional vote on the North American Free Trade Agreement as that vote drew near. The rise in the peso's inflation-adjusted exchange value has cumulated to nearly 35 percent since 1989, reflecting in part a strong inflow of capital from abroad stimulated by domestic reforms, declining world interest rates, and the anticipated positive influence of NAFTA on Mexico's real growth. The Brazilian cruzeiro rose fairly strongly in real terms against the dollar, as substantial nominal depreciation of the cruzeiro did not keep pace with the even more rapid domestic inflation in that country. Meanwhile, the Hong Kong dollar rose in real terms and the Taiwan dollar fell.

Growth of real GDP in the major industrial countries picked up somewhat, on average, during 1993 from depressed levels in 1992. Growth was lifted as economic recoveries in Canada and the United Kingdom gained some momentum. However, output in Japan and most of continental Europe remained sluggish at best, showing either small increases or small declines for most of the year. The weakness of real activity in the foreign Group of Six industrial countries put further downward pressure on CPI inflation, which receded to roughly 2 percent on average in those countries last year. Further declines in interest rates in most of these countries during the past year should enhance the prospects of recovery in the coming year. The economies of the major developing countries in Asia continued to grow rapidly, fueled in part by exceptionally strong growth in China. Real growth in Mexico fell to near zero, however, reflecting the depressing effects of policy restraint aimed at containing inflationary pressures and, for a time, growing uncertainty about whether NAFTA would be implemented.

The nominal U.S. merchandise trade deficit widened to more than $130 billion in 1993, compared with $96 billion in 1992. Imports grew much faster than exports, partly because the U.S. economic recovery gained momentum while economic growth in U.S. export markets was sluggish on average. The appreciation of the dollar also tended to depress real net exports. The current account worsened about in line with the trade deficit, moving from a deficit of $66 billion in 1992 to nearly $105 billion at an annual rate over the first three quarters of 1993. Net service receipts and net investment income receipts both remained little changed over this period.

U.S. merchandise exports grew 3¾ percent in real terms over the four quarters of 1993, based on the initial fourth-quarter estimate from the national income and product accounts. Exports changed little, on net, over the first three quarters of the year but strengthened in the fourth quarter as shipments of machinery and automotive products increased. The growth of computer exports in real terms slowed from the very rapid pace of recent years but still posted an increase of more than 15 percent. Agricultural exports declined as a result of reduced U.S. output in the 1993 crop year. By region of the world, the rise in merchandise exports during 1993 was more than accounted for by increased shipments to Canada, the United Kingdom, and Mexico. Shipments to the sluggish economies in continental Europe and Japan declined somewhat, while the growth of exports to developing countries in Asia slowed from the rapid pace of 1992.

Merchandise imports grew about 14 percent in real terms during 1993. The growth in imports was broadly based across commodity categories. Computers accounted for one-third of the growth in real terms, but imports of consumer goods, machinery, automotive products, and industrial supplies all rose strongly as well. Import prices declined slightly during 1993, reflecting a sharp decline in the price of oil imports. The average price of non-oil imports rose only slightly, reflecting low inflation abroad and the rise of the dollar.

In the first three quarters of 1993, recorded net capital inflows balanced only part of the substantial U.S. current account deficit, as net statistical errors and omissions were positive and large. Sizable net shipments of U.S. currency to foreigners, which are not recorded in the U.S. international accounts, contributed to the positive net errors and omissions.

Net official capital inflows amounted to $48 billion. G-10 countries accounted for part of the inflows. In addition, various developing countries, particularly in Latin America, experienced large private capital flows into their countries and added substantially to their official holdings in the United States.

Net private capital inflows into the United States were negligible in the first three quarters of 1993. However, reflecting the continued internationalization of financial markets, both inflows and outflows grew. U.S. net purchases of foreign securities reached a record $96 billion, about evenly divided between stocks and bonds. Most of these net purchases were accounted for by Western Europe, Canada, and Japan; developing countries in Asia and Latin America accounted for a small but growing share of total U.S. net purchases of foreign stocks and bonds. Foreign private net purchases of U.S. government securities and corporate bonds remained strong; foreign asset holders also resumed making net purchases of U.S. corporate stocks. In addition, capital inflows from foreign direct investors in the United States resumed in the first three quarters of 1993, while capital outflows by U.S. direct investors abroad remained strong.

Labor Market Developments

The labor market strengthened in 1993, as economic expansion began to translate more forcefully into increased job creation. Payroll employment, a measure of jobs that is derived from a monthly survey of establishments, rose almost 2 million over the twelve months of the year. Although this gain was only moderate compared with annual increases in many years of the 1970s and 1980s, it was about twice the increase of 1992. The increase in employment in January of this year apparently was held down by bad weather.

Hiring picked up in most major sectors in 1993. The number of jobs in retail and wholesale trade increased about one-half million, the largest annual rise since 1988. The number of jobs in finance, insurance, and real estate picked up a bit after a five-year period that had encompassed three years of sluggish growth and two years of unprecedented reductions. Construction employment rose 200,000 after three years of sharp declines.

The services industry added about 1.2 million new jobs in 1993. More than one-third of the increase came at firms that supply services to other businesses. Of these firms, the ones exhibiting by far the most rapid growth were personnel supply firms—companies that essentially lease the services of their employees to other businesses, usually on a temporary basis. Many companies requiring additional labor apparently have been attracted by the flexibility of such arrangements, as well as by cost advantages, at least over the short run. Elsewhere in the services industry, health services continued to generate a substantial number of new job opportunities in 1993, even though the gain was not quite as large as those of other recent years. Small to moderate employment gains also were reported during the year at firms supplying a wide variety of other types of services.

Manufacturing employment continued to decline in 1993, but at a slower pace than in any of the three previous years. Although manufacturers boosted output considerably, the gain was achieved mainly through another sizable rise in factory productivity. Labor input in manufacturing reportedly increased only slightly, and the gain took the form of a lengthened workweek rather than increased hiring. By the latter part of the year, the average workweek in manufacturing had reached 41¾ hours, the longest since World War II. Hiring did pick up late in the year, however, and a further rise in the number of factory jobs was reported in January of this year. Reliance by manufacturers on workers from personnel supply firms reportedly has increased; because these workers are carried on the payrolls of the personnel firms, actual labor input in manufacturing was greater than the data indicate.

Significant improvement in labor market conditions also was evident in data from the monthly survey of households. The measure of employment that is derived from this survey rose 2½ million over the twelve months of 1993, after an increase of about 1½ million during the previous year. At the same time, the number of unemployed persons fell more than 1 million over the course of 1993, and the civilian unemployment rate declined nearly a full percentage point. Because of changes in the design of the monthly survey of households, the official rate reported for January of this year—6.7 percent—is not comparable with the official rates for 1993 or previous years. However, the Bureau of Labor Statistics has indicated that, abstracting from the changes in survey design, the unemployment rate probably fell in January, with estimates of the size of the decline ranging from 0.1 percentage point to 0.3 percentage point. The aim of the new survey is to achieve more precise classification of individuals whose labor market situations may not have been accurately captured by the questions included in the old survey.

Growth of the civilian labor force—the sum of persons who are employed and those who are looking for work—was relatively sluggish again in 1993. The rise over the four quarters of the year was 1.2 percent, only slightly faster than the rate of growth of the working-age population. Over the past four years, labor force growth has averaged less than 1 percent per year, and the labor force participation rate has edged down slightly, on net. Based on data from the old survey, the number of persons who desired work but did not seek it because of a perceived lack of job openings changed little over the course of 1993. In addition, the number of persons outside the labor force and not wanting a job rose about 0.8 percent during the year, pulled up in part by a sharp increase in the number of retirees. Workers whose careers were cut short by business restructurings and defense cutbacks probably augmented the normal flow of workers into retirement. Growth in the number of persons not wanting a job because of attendance in school also increased during 1993, according to data from the old survey. To the extent that these individuals have been honing their job skills, their lack of current participation in the labor force could turn into a positive factor for the economy over the longer run.

The slowing of nominal increases in hourly compensation came to a halt in 1993. The employment cost index for private industry—a labor cost measure that includes wages and benefits and covers the entire nonfarm business sector—increased 3.6 percent from December of 1992 to December of 1993, about the same as the rise of the previous year. Wages rose 3.1 percent over the year, one-half percentage point more than in 1992, and the growth of benefits slowed only a little, to 5.0 percent. Compensation gains picked up for workers in some white-collar occupations, notably sales workers and managers. Slightly bigger gains than in 1992 also were realized by workers in some blue-collar occupations. By contrast, the rate of compensation growth held steady in service occupations and edged down in some blue-collar occupations in which fewer specialized skills are required. The overall rise in hourly compensation during 1993 exceeded the rise in consumer prices by about 1 percentage point. Hourly wage gains more than kept pace with inflation, and the value of benefits provided to workers by their employers continued to rise rapidly in real terms.

Labor productivity continued to increase in 1993, albeit less rapidly than in the earlier stages of the cyclical expansion. According to preliminary data, output per hour in the nonfarm business sector rose 1.5 percent during the year, after large increases in both 1991 and 1992. Although part of the gain in output per hour over this three-year period is no doubt a reflection of normal cyclical processes, the data also seem to suggest that the longer-run trend in productivity is tilting up a bit more sharply than in the 1970s and 1980s, a result of heavy investment by business in new information technologies, of the rising skill of workers in exploiting those technologies, and, perhaps, of the more quiescent inflation environment of recent years. With gains in labor productivity offsetting part of the 1993 increase in compensation per hour, unit labor costs in the nonfarm business sector increased just 1.3 percent, a shade less than in 1992.

Price Developments

Inflation edged down a bit further in 1993. The 2.7 percent rise in the CPI over the four quarters of the year was the smallest increase since 1986, and the four-quarter rise of 3.1 percent in the CPI excluding food and energy was the smallest increase in that measure in more than twenty years. At the same time, however, progress toward lower inflation was sporadic during the year, and the slowing of price increases was less widespread than it had been in 1992. Scattered upward price pressures showed up in the commodity markets from time to time during 1993; late in the year and early in 1994, these increases became more widespread. Producer prices picked up somewhat in January, but prices at the retail level were unchanged, on balance.

The patterns of price change for items other than food and energy were more checkered in 1993 than they had been in 1992, a year when deceleration was widespread among both commodities and services. The CPI for commodities other than food and energy rose only 1.6 percent over the four quarters of 1993 a percentage point less than in 1992. Within this category, the CPI for tobacco fell 5 percent in 1993 after many years of large increases, as the inroads being made by generic brands in that market forced major suppliers to alter their basic pricing strategies. Prices of apparel rose less than 1 percent during 1993, an even smaller increase than in 1992. By contrast, the prices of motor vehicles moved up somewhat faster than in 1992; the price rise for trucks was the largest in recent years. The CPI for non-energy services increased 3.8 percent over the four quarters of 1993, about the same as the rise during the previous year. The index for medical care services slowed for the third year in a row, but airfares rose sharply for a second year. Price increases for other services generally were little different from those in 1992, with small deceleration for some items and small acceleration for others.

Food prices picked up in 1993. The consumer price index for food increased 2.7 percent over the four quarters of the year, an acceleration of about a percentage point from the pace of the two previous years. Because price increases in those two previous years had been held down, in part, by unusually favorable supply developments in agriculture, some pickup of food price inflation might have been in store for 1993 even had weather conditions been no worse than average. In the event, the weather was unusually bad. Severe winter weather disrupted livestock production early in the year; drought in the eastern states hurt crop production in that region during the summer; and flooding of historic severity in the Missouri and Mississippi River basins cut deeply into output of some of the nation's major field crops. At retail, effects of the various supply disruptions showed through in the prices of meats, poultry, and fresh produce. Price increases for other foods, which account for by far the larger share of total food in the CPI, showed almost no acceleration in 1993; most of the value added in production of these other foods comes from nonfarm inputs.

Consumer energy prices declined 0.4 percent over the four quarters of 1993 after rising only moderately in 1992. With world oil production outstripping demand, crude oil prices fell sharply during the last three quarters of 1993, to levels in December that were about 25 percent below those of a year earlier. Gasoline prices, after increasing in the early part of 1993, turned down in March and fell for six additional months thereafter. The string of declines was interrupted in October when federal gasoline taxes were raised, but it resumed in November and continued through year-end. Average pump prices for the fourth quarter were about 4 percent below the level of a year earlier. Fuel oil prices fell about 3 percent over the same period. Prices of the service fuels—electricity and natural gas—increased during 1993. The rise in electricity prices over the year amounted to 1.7 percent, slightly less than the increase posted in 1992. Natural gas prices rose nearly 5 percent for the second year in a row; consumption of natural gas has picked up in recent years, after trending lower through much of the 1970s and a large part of the 1980s. Since the end of last year, oil prices have changed little, on net, as an upswing in prices during the first few weeks of 1994 has been reversed by more recent declines. The CPI for energy continued to fall in January.

The producer price index for finished goods, which includes both consumer goods and capital equipment and covers only the prices received by domestic producers, increased just 0.2 percent over the four quarters of 1993. An identical increase was reported in the PPI for finished goods other than food and energy; the increase in this measure was the smallest in its history, which goes back to 1974. As at retail, price increases for these domestically produced goods were held down, in part, by the sharp drop in prices of tobacco products. More broadly, competition from imports and further increases in labor productivity in manufacturing were important elements in pricing restraint. The prices of intermediate materials excluding food and energy rose 1.6 percent over the four quarters of 1993, a small step-up from the pace of the previous year.

In the markets for raw commodities and other primary inputs, scattered upward price pressures emerged from time to time during the first three quarters of 1993, and fairly widespread increases were reported in the year's final quarter and into early 1994. The producer price index for crude materials excluding food and energy thus moved up sharply over the year, by about 10 percent in all. The weight of these inputs in GDP is quite small, however, and in the absence of more general cost pressures, increases in their prices usually do not impart much upward thrust to the prices of finished goods.

Inflation expectations, as reported in various surveys of consumers and other respondents, flared up for a time during 1993 but retreated in the latter part of the year. According to one such survey, conducted by the University of Michigan Survey Research Center, the rate of price increase expected one year into the future moved up from an average of 3.8 percent in the final quarter of 1992 to an average of 4.7 percent in the third quarter of 1993. The rise was fully reversed in the fourth quarter, however. A similar but much less pronounced swing in expectations was evident in some other surveys as well. The surveys have continued to show one-year expectations of price change running somewhat higher than the actual increases of recent years. Longer-run expectations of price change have remained higher still, with the Survey Research Center's series on average inflation rates that are expected over a five- to ten-year horizon holding in a range of 4½ percent to 5 percent, according to surveys conducted in the second half of 1993 and early 1994.

Monetary and Financial Developments in 1993

Financial repair continued in 1993, amid increasing signs that borrowers and lenders were more comfortable with their balance-sheet positions. Households, in particular, and firms, to a lesser extent, stepped up their borrowing as the year progressed. Depository institutions, for their part, were sufficiently encouraged by the stronger economy and the improvement in their own financial conditions to ease the terms and conditions of credit for businesses and households.

Nonetheless, with efforts to strengthen financial positions continuing, financing remained concentrated in capital markets, largely bypassing banks and thrifts. In part spurred by the higher returns available in those markets, investors found bonds and stocks to be more attractive alternative than deposits; flows into bond and stock mutual funds were at record levels last year. As a consequence, the monetary aggregates continued to grow quite slowly relative to the expansion of nominal income. Recognizing the ongoing redirection of financial flows relative to historical norms, the Federal Open Market Committee (FOMC) in February and July 1993 lowered the annual ranges for M2 and M3 for 1993 in two technical adjustments totaling 1½ percentage points for M2 and 1 percentage point for M3. Uncertainty about the extent and duration of the unusual change in velocity meant that growth in the aggregates could not be relied upon to guide changes in reserve conditions, and the FOMC continued to use a wide variety of information about financial and economic conditions for this purpose.

Assessing the incoming information, the Federal Reserve judged that no change was needed in reserve and money market conditions during 1993 to sustain the economic expansion without engendering inflationary pressure. With money market rates remaining in a range not much, if at all, above the core rate of inflation, however, the members of the FOMC viewed that a tightening in reserve conditions at some point would likely be needed to avoid pressures on capacity and a pickup in inflation.

Concerns about a buildup of inflationary momentum increased in the spring, and, over the three months from mid-May until mid-August, instructions from the FOMC to the Federal Reserve Bank of New York indicated that there was a greater likelihood that money market conditions should be tightened rather than eased before the next scheduled meeting of the FOMC. Those concerns again came to the fore as 1994 opened. Considerable underlying strength in aggregate demand and dwindling levels of excess capacity to meet that demand raised the risk that inflation pressures would strengthen down the road, derailing the expansion. Consequently, in February, the FOMC tightened reserve conditions for the first time in five years, nudging short-term rates up ¼ percentage point.

The Implementation of Monetary Policy

Most short-term interest rates ended 1993 where they had begun the year, at quarter-century lows that had resulted from the substantial easing in reserve conditions engineered by the Federal Reserve from 1989 to 1992. The rate charged for adjustment borrowing at the discount window remained at 3 percent, and federal funds traded around the same rate. Despite the stability of short-term interest rates, longer-term interest rates fell as much as 1 percentage point over the course of 1993, to settle at levels not seen on a sustained basis since the late 1960s. Investors apparently were encouraged by the prospects for low inflation and reduced federal budget deficits. Helped by the decline in long-term rates and by brighter earnings reports, the stock market enjoyed strong gains.

In February 1993, the time of the first FOMC meeting of the year, incoming information suggested that the economy had exhibited considerable strength in the fourth quarter of 1992. Final estimates for that quarter put the increase in real GDP at a 5¾ percent annual rate and the growth of nominal GDP in excess of 9 percent. Final demand was seen to be strong, paced by household consumption and business investment. With slack relative to capacity still considerable—the unemployment rate averaged 7¼ percent (on the old basis)—price pressures were not perceived to be likely. The expansion of the monetary aggregates had faltered around the turn of the year, but the sense was that special factors—importantly including a decline of mortgage prepayments that constricted the level of transactions deposits—accounted for some of the weakness. Against this backdrop, it appeared to the members of the FOMC that unchanged reserve conditions would support economic expansion and still be consistent with further declines in inflation and inflation expectations. Moreover, the situation did not seem to call for a presumption of the likely direction of any intermeeting adjustment in reserve conditions; such a symmetric directive had been issued to the Account Manager of the System Open Market Account at the end of the December 1992 meeting as well.

Investor confidence in the longer-term prospects in capital markets apparently strengthened in the weeks that followed, owing in part to a growing perception that significant progress in reducing the path of future budget deficits might be in the offing. By the time of the March Committee meeting, bond yields had fallen appreciably, touching levels last observed in 1973, with the largest declines posted at the longest maturities. Indicators of real activity suggested some slowing from the torrid fourth-quarter pace, but in labor markets, payroll employment had strengthened and the unemployment rate had moved down further. Readings on inflation sparked some concern about the potential for a buildup of inflationary momentum. With fundamental forces still suggesting further disinflation, however, and with those concerns not evident in capital market indicators, or in the exchange value of the dollar, which remained relatively steady, the FOMC retained its symmetric directive.

In May, Committee members were confronted with ambiguous indicators of economic activity, prices, and the financial aggregates, which were all made more confusing by a spell of bad weather that had distorted somewhat the seasonal patterns of spending and production. As for the prices of goods and services, although many analysts thought that the major indexes were distorted by difficulties in seasonal adjustment, data releases showing a variety of price and labor compensation indexes on the high side of investor expectations still roiled financial markets. Slack in the economy remained appreciable, which weighed against any pickup in inflation, but inflation expectations were in danger of ratcheting higher, with possible adverse consequences for inflation itself. Meanwhile, the latest readings on the monetary aggregates showed a burst of growth in early May, but tax-induced distortions and a surge in prepayments of mortgage-backed securities made this information particularly difficult to interpret. In the view of a majority of the members of the FOMC, wage and price developments were sufficiently worrisome to warrant positioning policy for a move toward restraint should signs of mounting inflation pressures continue to multiply. Although they saw no immediate need to alter the degree of reserve pressure, they agreed that current conditions made it easier to envisage a tightening rather than an easing over the intermeeting period, a sense that was embodied in an asymmetric policy directive.

In advance of the July meeting of the FOMC, the unemployment rate had moved back up to 7 percent (on the old basis), while industrial production had changed little over the preceding few months. The surge in the monetary aggregates in May apparently had not marked a trend toward more rapid expansion in broad measures of money. Overall, the evidence pointed toward a sustained economic expansion and some ebbing of the recent upsurge in inflationary pressures. News in that vein, along with progress in the Congress toward adoption of a deficit-reduction package, had fostered a drop in longer-term bond yields in the days leading up to the meeting. The durability of that improvement in market sentiment remained an open question, however. Monetary policy could be viewed as relatively expansive in light of the behavior of a variety of other indicators, including the growth in narrow measures of the monetary aggregates and reserves and the low levels of money market interest rates, in both nominal and, in particular, real terms. In such an environment, Committee members agreed that it was necessary to remain especially alert to the potential for a pickup in inflation. As a result, the FOMC decided to retain the current degree of restraint in the reserve market and an asymmetric tilt toward tightening in the policy directive.

At the time of the August meeting of the Committee, readings on inflation were encouraging: Consumer prices had changed little, and producer prices had fallen over recent months. Data on spending and production had a weakish cast, and the persistence of the sluggishness in the second quarter had become more apparent. These data releases had bolstered investor confidence in the prospects for continued disinflation, while the recently passed legislation on the federal budget offered the promise of meaningful cuts in the deficit over the next several years. Accordingly, longer-term yields fell about 40 basis points. The resulting capital gains apparently added to the allure of stock and bond mutual funds, thereby weakening M2, which only edged up in July. At this meeting, policymakers saw existing reserve conditions as consistent with their goals. Moreover, the dissipation of the inflation threat and the encouraging downward tilt to expectations of inflation suggested to members of the FOMC that the risks were more evenly balanced than of late. As a result, the Committee reverted to a symmetric directive—instructions that carried no presumption as to the direction of an intermeeting move—which was retained for the remainder of 1993.

Leading up to the September FOMC meeting, the unemployment rate had edged lower, to 6.7 percent (old basis), housing starts had declined, and retail sales were flat in real terms. Substantial drags on economic growth remained: cutbacks in the defense sector; uncertainties regarding the effects of other government policies that had the potential to raise labor and production costs; and slow growth on average in the foreign industrial economies. However, sources of stimulus were also apparent: the cumulative spur to spending of low interest rates, especially at longer maturities; the lessening of balance-sheet constraints on households and firms; and the improving financial condition of the depository sector, which was making credit more available. Given these conflicting influences on spending, the Committee determined that leaving reserve conditions unchanged would be most consistent with maintaining sustainable economic growth.

The incoming data in advance of the final two Committee meetings of 1993 indicated a robust near-term expansion in activity with no immediate inflationary pressure. Although there was a sense that with reserves ample and money market rates at the low end of the range of experience over the past three decades, the next move in policy would be to tighten, the members of the Committee agreed that until trends became clearer, the current stance of policy should be maintained. The prospects of heightened credit demands and forecasts of looming capacity pressures pushed up longer-term interest rates about 3⁄8 percentage point from their yearly lows set in mid-October. Over that same span, the dollar showed notable strength on foreign exchange markets.

Most market rates held at these higher levels as the FOMC met for the first time in 1994. Readings on activity suggested that 1993 had ended on a very strong note, with real GDP expanding about 6 percent at an annual rate in the fourth quarter and reports suggesting that some of this momentum had carried over into 1994. Slack in labor and product markets had been reduced considerably, and the prices of a number of commodities important in the production of durable goods and in construction had begun to move higher. With that backdrop, the Committee decided that it was time to trim back some of the stimulus provided by the current low level of short-term interest rates before it fed through to higher inflation. The Account Manager was directed to tighten reserve conditions, and the federal funds rate moved up to a range around 3¼ percent, while the discount rate remained at 3 percent.

Money and Credit Flows

The long expansion of the 1980s was associated with growth of total debt of domestic nonfinancial sectors that was about 1½ times the pace of nominal GDP growth. In the wake of this phenomenal leveraging, the recession and tepid economic recovery from 1990 to 1992 were importantly a balance-sheet phenomenon that was reflected in a slowing in debt growth. In retrospect, it is apparent that this deceleration in debt was one symptom of the general dissatisfaction of both borrowers and lenders with their financial conditions, a concern that also led to some restraint on spending and asset accumulation. Nineteen ninety-three saw some lessening of this restraint, and the growth of the debt of the nonfinancial sectors expanded 5 percent, about in line with nominal GDP. This performance put the debt aggregate in the lower portion of its 4 percent to 8 percent monitoring range, a range that had been set at the first meeting of the year.

The debt of the nonfederal sectors (nonfinancial businesses, households, and state and local governments) expanded 3¾ percent last year. For nonfinancial corporations, a pickup in fixed investment and inventory investment outpaced increases in internally generated funds, pushing the financing gap into positive territory after two years of negative readings; as those firms sought outside funds, they turned, in the main, to long-term debt markets, though net equity issuance remained sizable as well. However, the debt markets in 1993 saw far more activity than the net requirements for external funds implied. Low longer-term rates induced many firms to refinance existing obligations, pushing gross public debt issuance by nonfinancial firms above $190 billion.

Earlier efforts to restructure balance sheets, along with the opportunities afforded by lower long-term rates to refinance existing obligations, apparently put households in a better position to take on new debt in 1993. With debt-service burdens holding at about 16 percent of income, or about 2¼ percentage points below the peak set at the end of the previous decade, and with loan rates declining substantially, households assumed new liabilities rapidly enough, on net, to push up the ratio of their total liabilities to disposable income to just under 90 percent in 1993. The largest swing was in the consumer credit category, as households evidently became more confident of the sustainability of the economic expansion and made previously delayed purchases of durable goods, especially autos. The record volume of mortgage originations mostly involved refinancings, but with a pickup in construction activity and some cashing out of equity in the process of refinancing, home mortgages expanded 7 percent, on net, last year. Overall, this pickup in liabilities was dwarfed by a substantial expansion of the asset side of the household balance sheet last year, raising net worth to a level about 4¾ times that of disposable income. Within those assets, households continued to shun deposits in favor of the investment products of nonbank intermediaries, notably mutual funds and insurance companies. As a result, deposits shrank to less than 20 percent of total household assets, a post-World War II low. Much of the declining role for deposits probably owed to the pattern of financial returns, with investors, confronted by a steep yield curve, seeking out the higher yields provided by longer-maturity instruments that were mostly available from outside the depository sector.

Depository institutions, pressed by their own balance-sheet problems, were unaggressive in seeking deposits and extending credit in the early 1990s. By 1993, however, commercial banks had made substantial strides in improving their capital standing. About three-quarters of the assets at commercial banks were on the books of well-capitalized institutions as of September 1993, 2½ times the proportion at the end of 1990 (table 3). Partly as a consequence, banks reported on Federal Reserve surveys a substantial easing of terms and standards on business and consumer loans during the year. However, borrowers, endeavoring to lock in longer-term funds, which are not typically supplied by banks, continued to rely heavily on capital markets, keeping the need of depositories to fund asset expansion subdued.

3. Distribution of assets of domestic commercial banks, by adjusted capital category[1]

Percent

Category	End of year			September 1993
	1990	1991	1992	
Well capitalized	30.4	34.4	67.8	73.3
Adequately capitalized ...	38.5	45.1	21.8	17.8
Undercapitalized	31.1	20.5	10.3	8.9

1. Adjustments to capital categories were made according to the rule of thumb of downgrading a bank by one category for a low examination rating by its supervisory agency (CAMEL 3, 4, or 5).

Depository credit did expand modestly in 1993, marking a substantial rebound from the declines posted in the previous three years. The increase in depository credit exceeded the growth of deposit funds, as depositories made extensive use of equity, subordinated debt, and other nondeposit funds to finance the expansion of depository balance sheets. Bank credit increased 5 percent last year after two years of growth in the neighborhood of 3½ percent, while thrift credit contracted only modestly. Indeed, thrift credit is estimated to have expanded in the second half of the year, pulled up by extensions of loans by credit unions that outweighed continuing, albeit slackening, runoffs at savings and loans.

Slow expansion of depository credit, together with the increased reliance by banks on nondeposit funds, damped the growth of M3 in 1993. From the fourth quarter of 1992 to the fourth quarter of 1993, M3 grew ½ percent, ending the year a little above the lower bound of its annual range of 0 percent to 4 percent (table 4). This range had been adjusted down for technical reasons to acknowledge the appreciable upward trend to M3 velocity over the past few years, which accompanied the shrinking role of depositories in intermediating funds. The part of M3 exclusive to that aggregate declined 3½ percent on a fourth-quarter-to-fourth-quarter basis, held down by a steep drop in institution-only money market mutual funds. Overall, M3 velocity rose at a 4½ percent annual rate in 1993, down almost 2 percentage points from the previous year.

The velocity of M2 rose at a 3¾ percent annual rate in 1993 after increasing nearly 5 percent in 1992. The rise in velocity last year was posted even as the return on many competing short-term assets remained relatively constant, and it was this ongoing drift upward in the ratio between nominal GDP

4. Growth of money and debt
Percent

Measurement period	M1	M2	M3	Domestic nonfinancial debt
Year[1]				
1980	7.4	8.9	9.6	9.1
1981	5.4 (2.5[2])	9.3	12.4	9.9
1982	8.8	9.2	9.9	9.6
1983	10.4	12.2	9.9	12.0
1984	5.5	8.1	10.9	14.0
1985	12.0	8.7	7.6	14.2
1986	15.5	9.3	8.9	13.4
1987	6.3	4.3	5.7	10.3
1988	4.3	5.3	6.3	9.0
1989	.6	4.8	3.8	7.8
1990	4.2	4.0	1.7	6.6
1991	7.9	2.9	1.2	4.6
1992	14.3	1.9	.5	5.0
1993	10.5	1.4	.6	4.9
Quarter (annual rate)[3]				
1993: 1	8.3	-1.3	-3.2	4.0
2	10.7	2.2	2.1	4.5
3	12.0	2.6	1.1	5.7
4	9.4	2.1	2.4	5.2

1. From average for fourth quarter of preceding year to average for fourth quarter of year indicated.
2. Adjusted for shift to NOW accounts in 1981.
3. From average for preceding quarter to average for quarter indicated.

and the aggregate that led the FOMC to reduce the annual growth range for M2 from the 2 percent to 6 percent spread that was set in February to the 1 percent to 5 percent range that was ultimately in effect. In the event, M2 grew 1½ percent from the fourth quarter of 1992 to the fourth quarter of 1993, slowing slightly from the 2 percent growth rate in 1992. Even this anemic expansion was accounted for in part by special factors. In particular, foreign demands for currency were strong and transactions deposits were boosted late in the year by a surge in mortgage refinancings that followed when mortgage rates fell to levels not seen in a generation. Refinancings are associated with the temporary parking of funds in transactions and other highly liquid deposit accounts.

Especially after taking account of such special factors, the growth of M2 was quite subdued in 1993, owing in large part to the attractiveness of capital market instruments. Although the bond market rally trimmed as much as 1 percentage point from longer-term yields, the term structure still retained an abnormally steep tilt through all of 1993. Some investors were willing to expose themselves to the greater price risk inherent in capital market mutual funds in the pursuit of higher average returns. Commercial banks took some measures to keep those customers, if not those deposits: Many banks made it possible to buy stock and bond mutual funds in their lobbies. Promotion of these services picked up, and some banks sponsored their own mutual funds or established exclusive marketing arrangements with mutual fund companies, undoubtedly encouraging the diversion of deposits to mutual funds.

At the end of 1993, assets in stock and bond mutual funds totaled about $1½ trillion, up $400 billion from the end of 1992. About one-half of the December 1993 total was held by institutions and in retirement accounts—two categories generally not in M2. M2 plus the remainder of stock and bond funds expanded at around a 5½ percent annual rate in 1993, roughly in line with nominal GDP over that period.

M1 grew at a 10½ percent pace last year, spurred on by double-digit increases in currency and demand deposits. As noted above, the former was importantly boosted by foreign demands, while the latter was closely related to swings in mortgage refinancing. M1 velocity declined at a 4¾ percent annual rate, despite the relative stability of money market interest rates. In contrast, the narrow aggregate's velocity had followed the path of short rates down during the easing of monetary policy from 1989 to 1992. Altogether, the drop in M1 velocity in recent years illustrates both its high interest-rate sensitivity and the fairly loose relationship of M1 to interest rates and income. With the rapid expansion of transactions deposits, total reserves grew at a 12¼ percent annual rate last year, down from the 20 percent pace posted in 1992. Adding in the increase in currency results in a 10½ percent growth rate for the monetary base in 1993, the same performance as the previous year.

Confronted with this rapid expansion in transaction deposits, and therefore required reserves, and directed by the Federal Open Market Committee to keep reserve market pressures unchanged over all of 1993, the Domestic Desk at the Federal Reserve Bank of New York added about $35 billion of securities, on net, to the System Open Market Account over the course of the year. In keeping with previous FOMC instructions, those purchases were weighted more heavily than in the past toward longer-maturity instruments. As a result, the average maturity of the Treasury securities held by the Federal Reserve moved up slightly over 1993, to 3.2 years. □

Industrial Production and Capacity Utilization since 1990: A Revision

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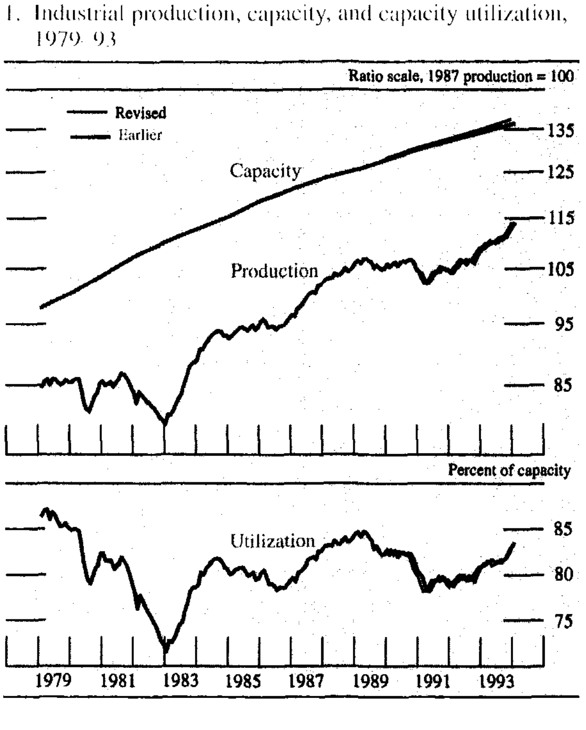
The Federal Reserve's index of industrial production and the related measures of capacity and capacity utilization have been updated. The estimates of production for 1991 onward have been revised mainly to incorporate more comprehensive monthly source data, the results of a review of productivity relationships, and updated seasonal factors; the estimates of capacity and capacity utilization for 1990 onward have been revised primarily to reflect the results for 1991 and 1992 of the U.S. Bureau of the Census's Survey of Plant Capacity Utilization and a review of the relationships of capacity output to industry capital stocks. The estimates of capital stocks used to prepare the capacity estimates also have been updated and improved.

1. Industrial production, capacity, and capacity utilization, 1979–93



Although the numbers for some of the individual series have changed noticeably, the overall effect on the total production index was very small (in fact, the effect on production estimates is barely visible in chart 1). For the fourth quarter of 1993, the revised production index was 112.8 percent of 1987 output, compared with 113.1 percent reported previously (table 1).[1] Total industrial capacity growth is now estimated to have been about a quarter of a percent per year higher in 1992 and 1993 than shown previously. As a result, the rate of capacity utilization—the ratio of production to capacity—has been revised down more than half a percentage point for the fourth quarter of 1993, to an estimated 82.3 percent.

Led by continuing strength in the output of computer and office equipment and by rebounding production of motor vehicles and parts during the final four months of 1993, industrial output is now estimated to have advanced 4.2 percent over the four quarters of the year, more than double the 1.9 percent gain in capacity. Based on these revised estimates, the rate of utilization of industrial capacity rose about 2 percentage points. Utilization of the nation's factories, mines, and utilities now appears to have surpassed the 1967–93 average by about a percentage point by the end of 1993 but to have remained well below earlier cyclical highs.

INDUSTRIAL PRODUCTION

The revised estimates of production reflect (1) incorporation of monthly, quarterly, and, in some

1. The production and utilization data for the fourth quarter of 1993 are based on information available as of February 15, 1994. These figures are subject to further revision in the G.17 statistical releases due to be published on the 15th of March and April.

1.A. Revised data for industrial production, capacity, and capacity utilization for total industry, 1990–93[1]

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual avg.
	Industrial production (percent change)																
1990	–.5	.5	.3	–.7	.7	.2	–.2	.3	.0	–.5	–1.3	–.4	2.1	1.1	1.6	–5.2	.0
1991	–.4	–1.1	–.8	.2	.9	.9	.2	.1	.8	–.2	–.2	–.3	–7.8	1.0	5.7	.3	–1.8
1992	–.3	.8	.5	.7	.4	–.5	.5	–.3	.1	.9	.7	.6	.3	5.6	.6	6.4	2.3
1993	.2	.6	.1	.4	–.4	.3	.4	.2	.2	.6	.8	.9	5.2	2.3	2.8	6.5	4.1
	Industrial production (percent of 1987 output)																
1990	105.5	106.1	106.4	105.7	106.5	106.7	106.5	106.8	106.8	106.3	105.0	104.5	106.0	106.3	106.7	105.3	106.0
1991	104.2	103.0	102.3	102.5	103.4	104.3	104.5	104.6	105.4	105.2	105.0	104.6	103.2	103.4	104.9	104.9	104.1
1992	104.3	105.2	105.6	106.4	106.8	106.2	106.8	106.5	106.6	107.5	108.3	109.0	105.0	106.5	106.6	108.3	106.5
1993	109.2	109.9	110.0	110.5	110.0	110.4	110.9	111.1	111.3	111.9	112.8	113.9	109.7	110.3	111.1	112.8	110.9
	Capacity (percent of 1987 output)																
1990	128.2	128.4	128.6	128.8	129.0	129.2	129.4	129.6	129.8	130.0	130.2	130.4	128.4	129.0	129.6	130.2	129.3
1991	130.6	130.8	131.0	131.1	131.3	131.5	131.7	131.8	132.0	132.2	132.4	132.6	130.8	131.3	131.8	132.4	131.6
1992	132.7	132.9	133.1	133.3	133.5	133.7	133.9	134.1	134.3	134.5	134.6	134.8	132.9	133.5	134.1	134.6	133.8
1993	135.0	135.3	135.5	135.7	135.9	136.1	136.3	136.5	136.8	137.0	137.2	137.4	135.3	135.9	136.5	137.2	136.2
	Capacity utilization (percent of capacity)																
1990	82.3	82.6	82.7	82.1	82.5	82.5	82.3	82.4	82.3	81.8	80.6	80.2	82.5	82.4	82.3	80.9	82.0
1991	79.8	78.8	78.1	78.2	78.7	79.3	79.4	79.4	79.9	79.6	79.3	78.9	78.9	78.8	79.5	79.3	79.1
1992	78.6	79.1	79.4	79.8	80.0	79.5	79.8	79.4	79.4	80.0	80.4	80.8	79.0	79.8	79.5	80.4	79.7
1993	80.9	81.2	81.2	81.4	81.0	81.1	81.3	81.4	81.4	81.7	82.2	82.9	81.1	81.2	81.4	82.3	81.5

1. The estimates of industrial production for 1991 onward have been revised, while the revisions of the estimates of capacity and utilization begin in 1990. Data are seasonally adjusted, except annual averages of industrial production, which are calculated from not seasonally adjusted indexes. Estimates for November and December 1993 are subject to further revision in upcoming monthly G.17 statistical releases.

1.B. Revised data for industrial production, capacity, and capacity utilization for manufacturing industries, 1990–93[1]

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual avg.
	Industrial production (percent change)																
1990	–.1	.9	.4	–.9	.5	.0	–.3	.5	–.1	–.6	–1.2	–.5	3.7	.2	1.0	–5.5	–.3
1991	–.7	–1.1	–.9	.3	.8	1.0	.3	.2	.9	–.2	–.3	.0	–9.1	.8	6.9	1.1	–2.2
1992	–.4	.9	.5	.7	.4	–.4	.4	–.1	.1	.9	.8	.5	1.2	6.1	.9	6.5	3.0
1993	.5	.4	.2	.7	–.2	.1	.4	.1	.3	.7	1.0	1.0	6.0	3.3	2.4	8.2	4.6
	Industrial production (percent of 1987 output)																
1990	105.5	106.5	107.0	106.0	106.6	106.6	106.3	106.9	106.8	106.2	104.9	104.4	106.3	106.4	106.6	105.1	106.1
1991	103.7	102.6	101.7	102.0	102.8	103.8	104.1	104.3	105.3	105.1	104.8	104.7	102.7	102.9	104.6	104.9	103.7
1992	104.4	105.3	105.9	106.6	107.1	106.7	107.1	106.9	107.0	107.9	108.8	109.3	105.2	106.8	107.0	108.7	106.8
1993	109.9	110.4	110.5	111.3	111.1	111.2	111.6	111.8	112.1	112.9	114.1	115.2	110.3	111.2	111.8	114.1	111.7
	Capacity (percent of 1987 output)																
1990	129.6	129.8	130.0	130.3	130.5	130.7	130.9	131.2	131.4	131.6	131.8	132.0	129.8	130.5	131.2	131.8	130.8
1991	132.3	132.5	132.7	132.9	133.1	133.3	133.5	133.7	133.9	134.1	134.3	134.5	132.5	133.1	133.7	134.3	133.4
1992	134.7	134.9	135.2	135.4	135.6	135.8	136.1	136.3	136.5	136.7	137.0	137.2	134.9	135.6	136.3	137.0	135.9
1993	137.4	137.7	137.9	138.2	138.4	138.7	138.9	139.2	139.5	139.7	140.0	140.2	137.7	138.4	139.2	140.0	138.8
	Capacity utilization (percent of capacity)																
1990	81.4	82.0	82.3	81.4	81.7	81.5	81.2	81.5	81.3	80.7	79.6	79.1	81.9	81.5	81.3	79.8	81.1
1991	78.4	77.4	76.7	76.8	77.2	77.9	78.0	78.0	78.6	78.4	78.0	77.9	77.5	77.3	78.2	78.1	77.8
1992	77.5	78.1	78.3	78.7	78.9	78.5	78.7	78.5	78.4	78.9	79.4	79.7	77.9	78.7	78.5	79.4	78.6
1993	80.0	80.2	80.1	80.6	80.2	80.1	80.3	80.3	80.4	80.8	81.5	82.2	80.1	80.3	80.3	81.5	80.6

For notes, see table 1.A.

2. Rates of growth of industrial production, by major market group, 1990–93

Market group	Revised rate of growth[1] (percent)				Difference between revised and earlier growth rates (percentage points)		
	1990	1991	1992	1993	1991	1992	1993
Total index	**–.2**	**–.3**	**3.2**	**4.2**	**.0**	**.0**	**–.3**
Products, total	–.4	–.6	3.9	3.9	.1	.2	–.4
Final products	–.1	–.1	4.1	3.9	–.1	–.3	–.6
Consumer goods	–1.8	2.3	3.2	1.9	.2	.4	–.2
Durable consumer goods	–8.3	5.0	6.4	9.0	.3	–.2	–.9
Automotive products	–11.7	5.0	11.7	12.5	.1	.8	–.1
Other	–5.4	4.9	2.1	5.9	.4	–1.0	–1.6
Nondurable consumer goods	.1	1.6	2.4	–.1	.2	.6	–.1
Equipment	2.3	–3.1	5.2	6.6	–.4	–1.4	–.9
Business equipment	3.0	–.5	8.7	10.0	–.1	–1.1	–1.0
Industrial	–1.4	–5.9	3.6	4.4	.0	–2.5	–1.9
Information processing and related	6.2	1.1	16.4	15.8	–.4	.2	.1
Transit	7.0	7.7	–1.1	1.6	.2	–2.2	–1.4
Other	–2.2	–4.8	6.3	10.8	.4	–1.5	–3.3
Defense and space equipment	–.9	–8.7	–10.3	–9.3	–1.2	–2.5	–1.4
Intermediate products	–1.6	–2.5	3.1	4.0	.7	1.5	.4
Construction supplies	–4.3	–4.5	3.4	5.6	.4	–1.0	–.6
Business supplies	.2	–1.2	2.9	3.0	.9	3.1	1.1
Materials	.2	.1	2.2	4.7	–.1	–.2	.0
Durable goods materials	–.1	–.3	3.4	8.2	–.1	–.6	.1
Nondurable goods materials	.7	1.2	2.1	3.2	–.1	–.1	–.1
Energy materials	.2	–.1	.1	–.9	–.2	.4	–.2

1. The estimates for 1991 onward have been revised. Growth rates are calculated as the percent change in the seasonally adjusted index from the fourth quarter of the previous year to the fourth quarter of the year specified in the column heading.

cases, annual output data that were not available in time for inclusion in the data published during 1993 in the Federal Reserve's monthly G.17(419) statistical release "Industrial Production and Capacity Utilization," (2) use of updated seasonal adjustment factors, and (3) a review of output indexes based on monthly input measures.[2]

Input measures, either production-worker hours paid for by industrial establishments or kilowatt-hours of electricity consumed by industry, are used to estimate monthly production indexes, which by weight account for more than half of industrial production. These input-based series were revised in three ways. First, the data for production-worker hours were updated to include the benchmark adjustments introduced by the Bureau of Labor Statistics in late spring 1993. Second, the data for consumption of electric power by industry were statistically filtered for outliers. Third, new productivity factors based on productivity trends derived from annual input and output data through 1991 were applied to input data for 1991 onward.

Revisions for industrial production by major market group are shown in table 2. Compared with earlier figures, the revised rates of growth in output of consumer goods are slightly higher for 1991 and 1992 and slightly lower for 1993. A downward revision of the estimates of output of household durable goods slowed the large gain in the output of consumer durables in 1993 from 10 percent to 9 percent. In contrast, the output of nondurable consumer goods edged down in 1993 after having advanced at an upwardly revised average annual rate of 2 percent in 1991 and 1992. Growth in production of equipment in both 1992 and 1993 was revised down about a percentage point. The production of business equipment remained relatively strong; the weakness in commercial aircraft and the defense and space industries was intensified. The production of industrial materials was revised little and continues to show an acceleration of growth in 1992 and 1993 after the weakness in 1990 and 1991. The recovery in output of construc-

2. In the seasonal adjustment process, an effort was made to reconcile seasonal factors at the individual and aggregate levels to achieve consistency. For series based on production-worker hours, the current seasonal factors were estimated using data through October 1993; for other series, the factors were estimated using data through July 1993.

3. Rates of growth of industrial production, by major industry group, 1990–93

Industry group	SIC code[1]	Revised rate of growth[2] (percent)				Difference between revised and earlier growth rates (percentage points)		
		1990	1991	1992	1993	1991	1992	1993
Total index		**–.2**	**–.3**	**3.2**	**4.2**	**.0**	**.0**	**–.3**
Manufacturing		–.2	–.3	3.6	4.9	.0	–.1	–.3
Primary processing		–1.2	–.7	2.8	4.8	.1	–.1	.5
Advanced processing		.2	–.1	4.0	5.1	.0	–.1	–.4
Durable manufacturing		–.7	–.9	4.3	7.8	–.1	–1.1	–.5
Lumber and products	24	–8.5	.7	8.4	5.1	.2	1.3	–.7
Furniture and fixtures	25	–4.2	–1.2	3.7	5.4	–.1	–2.9	–3.5
Stone, clay, and glass products	32	–3.3	–6.7	5.1	4.6	–.2	–.8	–.5
Primary metals	33	.9	–3.4	.8	7.4	.5	–.1	1.9
Iron and steel	331,2	2.9	–5.2	1.3	9.2	.5	.0	1.9
Raw steel		5.6	–8.2	1.7	5.9	–.3	–.1	.3
Nonferrous	333–6,9	–2.0	–.7	.2	4.6	.3	–.2	1.8
Fabricated metal products	34	–3.0	–2.3	1.0	5.6	.0	–1.3	.6
Industrial machinery and equipment	35	1.7	–2.7	13.3	17.7	–.1	–1.9	–.3
Computer and office equipment	357	11.0	2.0	31.8	34.2	.1	.7	–.2
Electrical machinery	36	–.2	2.5	5.2	10.8	–1.0	–2.9	.0
Transportation equipment	37	–1.2	.6	–.2	3.6	.1	–.4	–1.5
Motor vehicles and parts	371	–7.2	9.4	10.5	16.6	1.2	.3	–1.7
Autos and light trucks		–11.1	12.3	11.2	17.0	.7	2.7	.6
Aerospace and miscellaneous	372–6,9	4.1	–6.2	–10.0	–10.8	–.8	–1.3	–1.8
Instruments	38	2.0	–.5	.0	–2.7	.2	1.6	–1.0
Miscellaneous	39	–1.1	.7	.7	2.2	–.4	–2.9	–.7
Nondurable manufacturing		.4	.5	2.8	1.4	.3	1.1	.2
Foods	20	1.7	1.0	1.9	.5	.4	1.1	–.3
Tobacco products	21	.0	–9.5	9.7	–12.3	–.5	.7	–.8
Textile mill products	22	–5.2	6.7	5.1	.8	.2	.7	–.5
Apparel products	23	–4.6	4.4	.1	–1.9	.3	1.7	1.0
Paper and products	26	2.6	1.2	.1	5.4	.0	.2	.9
Printing and publishing	27	–.7	–2.1	3.1	1.1	1.2	5.0	1.6
Chemicals and products	28	1.4	.7	3.3	1.9	–.3	–.5	–.1
Petroleum products	29	–.1	–.9	3.5	2.8	.0	.7	–.6
Rubber and plastics products	30	.6	1.2	4.9	4.8	.5	1.1	.8
Leather and products	31	–7.5	–4.3	.1	–3.5	–1.7	–8.4	–6.7
Mining		2.6	–3.4	–.5	–1.1	–.1	.4	–1.0
Metal mining	10	4.4	.5	5.1	3.3	–.4	–1.4	–1.8
Coal mining	12	1.4	–2.5	–.7	–3.2	–.3	2.0	–1.4
Oil and gas extraction	13	3.0	–3.5	–1.1	–1.3	–.1	.2	–1.0
Stone and earth minerals	14	.6	–7.5	.6	1.2	.4	–.4	–.3
Utilities		–2.0	2.4	1.9	1.2	–.1	–.1	.5
Electric	491,3pt	–.6	1.2	2.1	.6	–.1	.2	.2
Gas	492,3pt	–6.8	6.9	1.3	3.4	.0	–.9	1.7

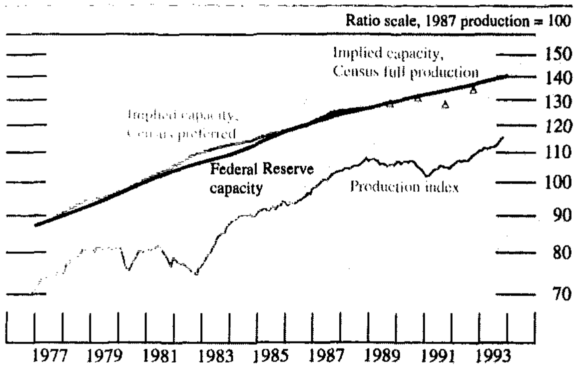
1. Standard Industrial Classification.

2. The estimates for 1991 onward have been revised. Growth rates are calculated as the percent change in the seasonally adjusted index from the fourth quarter of the previous year to the fourth quarter of the year specified in the column heading.

tion supplies was more moderate than had been previously estimated, and the recovery in production of business supplies, which had earlier been shown to be quite weak, was revised up.

By major industry group (table 3), the estimates of 1993 output for manufacturing and mining were revised downward, while that for utilities was raised. Several individual series were revised noticeably for 1992 and 1993. Within nondurable manufacturing, upward revisions in a number of industries, particularly printing and publishing, more than offset a downward revision in leather and products. Among durable manufacturing industries, downward revisions predominated; they were noticeable for furniture and fixtures, machinery, miscellaneous manufactures, aerospace and miscellaneous transportation equipment, and stone, clay, and glass products.

2. Federal Reserve capacity estimates and implied capacity estimates derived from the Census Bureau survey, manufacturing industries, 1977–93[1]



1. Census Bureau implied capacity estimates are calculated by dividing industrial production by utilization rates derived from the Census Bureau's Survey of Plant Capacity Utilization: to make the results comparable with the Federal Reserve's capacity estimates, the calculations are adjusted downward by the average difference between the Census Bureau utilization rate and the McGraw-Hill/DRI utilization rates for 1977 through 1988. Until 1989, the Census Bureau defined utilization in terms of a preferred level of operations ("Census preferred"); in 1989, it changed its definition to full production utilization, which relates actual output to full production capability. Implied capacity estimates for 1993 not yet available.

CAPACITY AND CAPACITY UTILIZATION

The capacity indexes, which are designed to accompany the production indexes for industry groups, have also been revised. Preliminary end-of-year estimates of capacity for many industries are calculated by dividing a production index, expressed as a percent of 1987 output, by a utilization rate obtained from a survey. Thus the revised production estimates, as well as manufacturing utilization rates for the fourth quarters of 1991 and 1992 recently provided by the Bureau of the Census from its Survey of Plant Capacity Utilization, were key factors in updating the Federal Reserve's estimates of capacity. In addition, output and capacity data that are reported in physical units, such as tons of steel and wood pulp or counts of motor vehicles, were updated.

With the exception of 1991, the revised Federal Reserve estimates of capacity for manufacturing industries are generally consistent with the implied capacity estimates for 1990–92 derived from the Census Bureau's survey (chart 2). The Federal Reserve's method of estimating capacity from survey data smoothes through the 1991 drop in the implied capacity estimates, in large part because available investment expenditures data indicate that the capital stock continued to expand in 1991.[3] Available evidence suggests that the decline in implied capacity derived from the Census Bureau's survey may be, in part, a cyclical phenomenon.[4]

Availability of Output, Capacity, and Utilization Estimates

Current estimates of output, capacity, and utilization are published first in the Federal Reserve monthly statistical release G.17(419), "Industrial Production and Capacity Utilization," and then in the statistical tables of the *Federal Reserve Bulletin.* All data shown in the release are available on the day of issue through the Department of Commerce's online Economic Bulletin Board; for information, call 202–482–1986.

Diskettes containing either historical data (through 1985) or revised data (from 1986 to the latest date published in the most recent G.17 statistical release) are available from Publications Services, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202–452–3245). Estimates for total industry and manufacturing, January 1982 to the latest available month in 1993, are shown in tables 5A and 5B of the G.17 statistical release. Hard copy of the revised estimates of series shown in the G.17 release is available upon written request to Industrial Output Section, Mail Stop 82, Division of Research and Statistics, Federal Reserve Board, Washington, DC 20551. A table "Industry structure and series composition of industrial production: Classification, value added weight, and description of series" is also available upon written request to the Industrial Output Section. A similar table is available for the capacity indexes.

3. New real net capital stock measures for manufacturing were estimated using the perpetual inventory method. Elements included are (1) time-series for investments in new equipment and structures by three-digit manufacturing industries; (2) corresponding decompositions of the annual investments into twenty-eight asset types; (3) asset-type deflators and service lives; and (4) estimates of losses of capital efficiency due to discards and economic decay as assets age. The capital stock estimates incorporate not only historical investment expenditures through 1991 from the Censuses and Annual Surveys of Manufactures, but also 1992–94 updates based on actual and planned expenditures on plant and equipment reported by the Census Bureau.

4. The Census Bureau's questionnaire instructs respondents to define full production capacity in terms of a "normal" level of plant operating hours. However, many industries that reported large declines in implied capacity in 1991 also reported substantial cuts in actual plant operating hours, suggesting that the current economic environment may dominate some respondents' perceptions of capacity.

4. Rates of growth of capacity, by major industry group, 1990–93

Industry group	SIC code[1]	Revised rate of growth[2] (percent) 1990	1991	1992	1993	Difference between revised and earlier growth rates (percentage points) 1990	1991	1992	1993
Total index		**1.9**	**1.7**	**1.7**	**1.9**	**.1**	**.1**	**.2**	**.3**
Manufacturing		2.1	1.9	2.0	2.2	.0	.1	.2	.4
Primary processing		1.7	1.1	1.0	1.1	.0	.2	.3	.2
Advanced processing		2.3	2.2	2.4	2.7	.0	.0	.2	.5
Durable manufacturing		2.1	1.8	2.1	2.6	.0	-.1	1	.5
Lumber and products	24	.6	.1	.2	.7	.5	1.1	.0	.2
Furniture and fixtures	25	2.2	.7	.8	1.3	.1	.0	−.2	.0
Stone, clay, and glass products	32	.7	.3	.9	1.1	.3	.6	.9	1.0
Primary metals	33	.6	−1.0	−1.4	−1.2	.0	−.3	−.4	-1.1
Iron and steel	331,2	.9	−1.2	−2.3	−1.9	.0	.0	−.9	−2.2
Raw steel		.0	−1.6	−2.2	−2.0	.0	.0	−1.0	−2.1
Nonferrous	333–6,9	.0	−.6	−.1	−.1	−.1	−.7	.3	.5
Fabricated metal products	34	.3	−.1	−.2	−.2	−.2	−.2	−.2	−.2
Industrial machinery and equipment	35	4.7	5.3	5.3	5.9	1.7	.9	1.3	1.6
Computer and office equipment	357	15.3	14.4	13.4	14.0	5 8	2.3	3.6	4.1
Electrical machinery	36	3.6	2.7	2.9	5.0	−.5	−.4	−.7	.9
Transportation equipment	37	1.0	.8	2.0	1.3	−.6	−1.0	−.2	.1
Motor vehicles and parts	371	1.1	1.7	3.5	3.6	−.8	−1.1	−.8	.9
Autos and light trucks		.8	1.0	4.8	3.7	7	.7	.4	.6
Aerospace and miscellaneous	372–6,9	.8	−.1	.4	−1.0	−.5	−1.0	.3	−.6
Instruments	38	1.3	1.3	1.4	1.5	−1.0	−.6	−.2	.1
Miscellaneous	39	1.6	1.7	1.7	1.6	−.3	.1	.2	−.5
Nondurable manufacturing		2.1	2.0	1.8	1.7	.0	.3	.4	.2
Foods	20	1.4	2.1	2.5	2.5	.1	.7	1.0	.9
Tobacco products	21	−.4	−.4	−.4	−.4	−.4	−.4	−.4	−.4
Textile mill products	22	1.6	1.0	1.0	1.7	.3	.2	.4	1.0
Apparel products	23	.1	−.5	−.8	−.8	−.1	−.1	−.2	−.4
Paper and products	26	2.9	2.4	1.8	1.6	.3	.2	.4	.2
Printing and publishing	27	2.9	1.6	.7	.7	1	.2	.3	−.1
Chemicals and products	28	2.5	2.9	2.6	2.4	−.5	.3	.1	−.3
Petroleum products	29	.9	−.8	−1.3	−.5	.0	.0	.0	.3
Rubber and plastics products	30	4.0	3.4	3.3	3.0	.0	.3	.8	.2
Leather and products	31	−3.5	−3.5	−3.6	−3.8	−.3	−2.3	−2.8	3.3
Mining		−1.4	−.6	−1.0	−1.1	.0	.1	.0	−.3
Metal mining	10	5.3	2.2	1.6	1.5	.0	−.3	.2	−.3
Coal mining	12	2.1	2.1	1.0	1.1	.0	.0	−.2	−.4
Oil and gas extraction	13	−3.0	−1.5	−1.9	−2.0	.0	.2	.0	−.2
Stone and earth minerals	14	− 1	−.5	−.2	−.1	.0	.0	.0	.0
Utilities		2.4	1.4	1.2	1.0	.7	.3	−.1	−.1
Electric	491,3pt	3.2	1.8	1.5	1.4	.9	.4	−.2	.0
Gas	492,3pt	.0	.0	.0	.0	.0	.0	.0	.0

1. Standard Industrial Classification.
2. Growth rates are calculated as the percent change in the seasonally adjusted index from the fourth quarter of the previous year to the fourth quarter of the year specified in the column heading.

The growth of manufacturing capacity in 1993 has been revised upward, in part because revised estimates show that the capital stock increased at a slightly faster rate than previously estimated.

The estimate of total industrial capacity growth from 1990 through 1993 was raised because of upward revisions of estimates of capacity growth for various nondurable manufacturing industries as well as for stone, clay, and glass products, copper, autos and light trucks, and especially computer and office equipment (table 4). However, the estimates of capacity growth for leather, steel, and aerospace and miscellaneous transportation equipment were lowered.

For some industries, revisions for utilization parallel those for production. The utilization rate for durable goods manufacturing industries for the fourth quarter of 1993 was lowered about 1¾ percentage points, to 80.7 percent (table 5). In contrast, the utilization rate for nondurable goods manufacturing industries was revised up. For printing and publishing and for furniture and fixtures, an

5. Capacity utilization rates, by major industry group, 1967–93

Seasonally adjusted

Industry group	SIC code[1]	Revised rate (percent of capacity)					Difference between revised and earlier rates (percentage points)		
		1967–93 avg.[2]	1988–89 high[2,3]	1990–91 low[3]	1992:Q4	1993:Q4	1990–91 low	1992:Q4	1993:Q4
Total index		**81.9**	**84.8**	**78.1**	**80.4**	**82.3**	**–.2**	**–.2**	**–.7**
Manufacturing		81.2	85.1	76.7	79.4	81.5	.1	–.2	–.7
Primary processing		82.2	89.1	78.0	82.3	85.3	.1	–.4	–.2
Advanced processing		80.6	83.3	76.0	78.1	79.9	–.1	–.2	–.9
Durable manufacturing		79.0	83.9	73.8	76.8	80.7	.0	–.9	–1.7
Lumber and products	24	83.1	93.3	76.2	87.3	91.1	–.7	–.3	–1.1
Furniture and fixtures	25	81.7	86.8	71.6	77.6	80.7	–.1	–2.2	–5.1
Stone, clay, and glass products	32	77.9	83.7	71.6	75.5	78.1	.6	–2.2	–3.5
Primary metals	33	80.1	92.9	74.4	82.2	89.3	.1	1.0	3.6
Iron and steel	331,2	79.8	95.7	72.2	82.1	91.4	–.1	1.3	4.9
Raw steel		79.2	92.7	71.4	81.7	88.4	.2	.6	2.8
Nonferrous	333–6,9	80.9	88.9	75.8	82.3	86.2	–.1	.5	1.6
Fabricated metal products	34	77.2	82.0	72.0	74.5	78.8	.2	–.6	–.1
Industrial machinery and equipment	35	80.8	83.7	71.4	77.3	85.9	–1.7	–4.4	–6.5
Computer and office equipment	357	80.5	84.4	63.4	74.4	87.6	–4.0	–7.6	–12.7
Electrical machinery	36	80.4	84.9	77.3	79.6	84.0	.6	–1.6	–2.4
Transportation equipment	37	74.9	84.2	70.5	73.1	74.8	.4	1.1	–.1
Motor vehicles and parts	371	75.7	84.5	57.3	74.9	84.3	–.6	2.9	1.3
Autos and light trucks[4]		. . .	89.6	53.7	75.8	85.6	.0	1.0	1.1
Aerospace and miscellaneous	372–6,9	75.5	88.3	78.5	71.2	64.2	.4	–.8	–1.6
Instruments	38	82.0	81.2	76.1	75.8	72.7	1.1	2.7	1.8
Miscellaneous	39	75.6	80.1	72.9	74.8	75.3	.0	–2.4	–2.6
Nondurable manufacturing		83.5	86.8	80.4	82.8	82.6	.0	.6	.7
Foods	20	82.3	83.3	80.8	81.0	79.4	.0	–.2	–1.1
Tobacco products	21	91.6	102.4	79.3	92.5	81.5	–.3	1.3	.7
Textile mill products	22	86.2	92.1	78.5	90.0	89.1	–.2	–.1	–1.6
Apparel products	23	81.1	84.2	74.9	80.5	79.6	.3	1.9	3.0
Paper and products	26	89.7	94.9	86.3	87.7	91.1	.3	–.7	–.1
Printing and publishing	27	86.5	92.3	78.5	81.7	82.1	.1	4.4	5.7
Chemicals and products	28	80.0	85.9	79.4	80.9	80.5	.9	–.6	–.4
Petroleum products	29	85.5	88.5	84.5	90.3	93.3	.4	.6	–.2
Rubber and plastics products	30	83.6	90.5	78.3	82.7	84.1	–.2	.4	1.0
Leather and products	31	81.9	83.8	76.4	81.9	82.1	.9	–3.5	–6.5
Mining		87.4	87.0	86.8	87.6	87.6	.0	.1	–.5
Metal mining	10	78.3	87.5	80.0	85.9	87.5	.6	–1.4	–2.7
Coal mining	12	87.0	91.4	82.9	83.1	79.6	–.2	1.6	.7
Oil and gas extraction	13	88.3	86.9	87.8	90.0	90.7	.0	–.1	–.7
Stone and earth minerals	14	83.8	90.0	77.9	79.5	80.5	.3	.0	–.3
Utilities		86.7	92.6	83.1	86.2	86.4	–.3	–.8	–.4
Electric	491,3pt	88.8	94.8	86.3	88.0	87.4	–1.1	–.9	–.7
Gas	492,3pt	82.5	85.5	68.3	80.1	82.8	.0	–.6	.7

1. Standard Industrial Classification.
2. Utilization rates before 1990 were not revised in the current revision.
3. Figures are the highest (lowest) monthly rate for the given industry group during the period in which overall utilization generally peaked—"1988–89 high" (bottomed out—"1990–91 low").
4. Series begins in 1977.

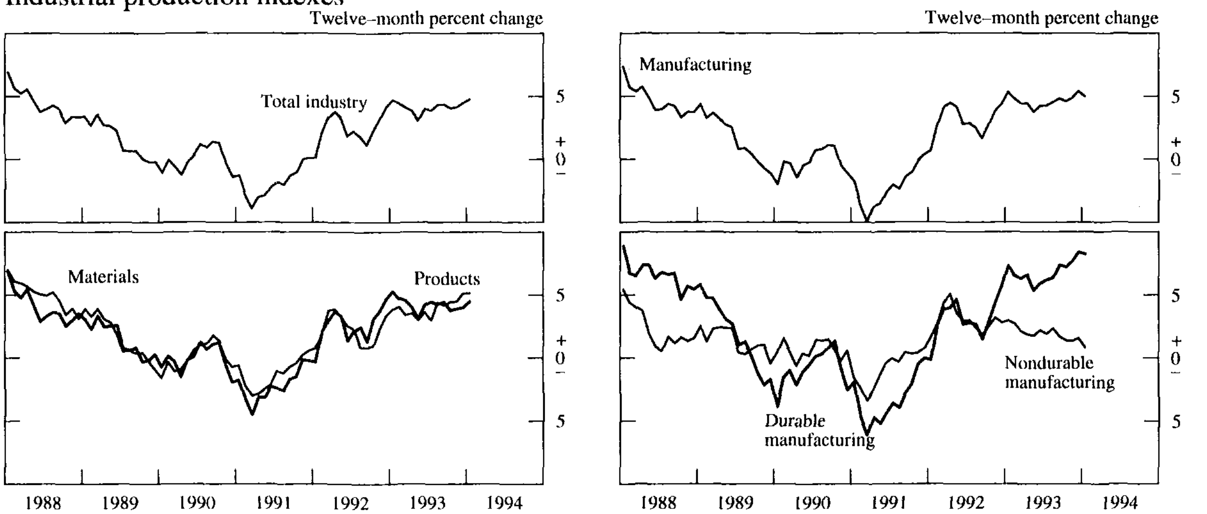
upward revision in production raised utilization, while for leather and products, a downward revision in production led to lower utilization. The largest downward revision in utilization rates was for computer and office equipment; the change was based in part on the results of the Census Bureau survey, which showed that utilization for this industry remained near its average level in late 1992. As a result, capacity growth for computer and office equipment for 1990 through 1993 is now estimated to have been averaged about 14 percent per year, still well below the rapid growth of output in 1992 and 1993. □

Industrial Production and Capacity Utilization for January 1994

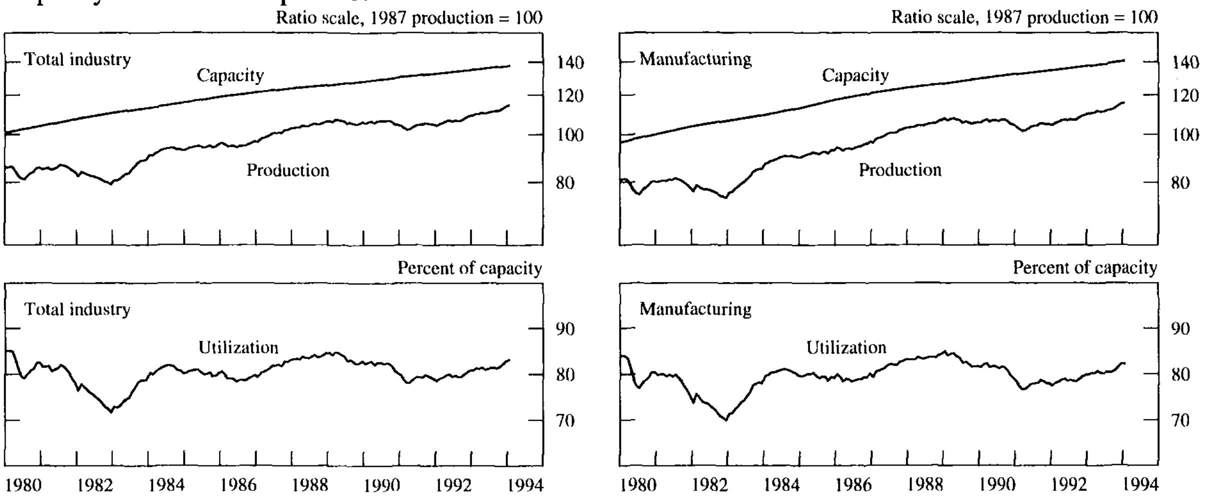
Released for publication February 15

Industrial production rose 0.5 percent in January: the December gain was revised upward, to 0.9 percent. Severe weather during January, coupled with the earthquake in California, helped constrain the growth in production at manufacturing establishments to just 0.2 percent, compared with an average monthly advance of 0.9 percent during the final quarter of 1993. Steel, appliances, and motor vehicles and parts were among the industries with the most significant disruptions. Conversely, the

Industrial production indexes



Capacity and industrial production



All series are seasonally adjusted. Latest series, January. Capacity is an index of potential industrial production.

Industrial production and capacity utilization, January 1994[1]

Category	Industrial production, index, 1987=100								
	1993			1994	Percentage change				
					1993[2]			1994[2]	Jan. 1993 to Jan. 1994
	Oct.r	Nov.r	Dec.r	Jan.p	Oct.r	Nov.r	Dec.r	Jan.p	
Total	**111.9**	**112.8**	**113.9**	**114.4**	**.6**	**.8**	**.9**	**.5**	**4.7**
Previous estimate	112.0	113.0	113.8	. . .	.7	.9	.7	. . .	. . .
Major market groups									
Products, total[3]	111.2	112.2	113.0	113.5	.6	.8	.7	.5	4.5
Consumer goods	109.2	109.9	110.1	110.4	.7	.6	.2	.3	2.0
Business equipment	137.7	139.8	142.1	144.0	1.0	1.5	1.7	1.3	11.1
Construction supplies	98.6	99.1	101.0	101.4	.8	.5	1.9	.3	7.8
Materials	112.8	113.7	115.2	115.7	.5	.8	1.3	.5	5.2
Major industry groups									
Manufacturing	112.9	114.1	115.2	115.4	.7	1.0	1.0	.2	5.0
Durable	116.2	118.1	120.0	120.7	1.0	1.6	1.7	.6	8.2
Nondurable	108.8	109.2	109.3	108.8	.2	.3	.1	−.4	.8
Mining	98.0	96.3	96.8	97.6	.7	−1.8	.5	.8	−.6
Utilities	114.9	116.0	117.1	121.2	−1.2	.9	.9	3.5	6.9

Category	Capacity utilization, percent								Memo Capacity, percentage change, Jan. 1993 to Jan. 1994
	Average, 1967–92	Low, 1982	High, 1988–89	1993				1994	
				Jan.	Oct.r	Nov.r	Dec.r	Jan.p	
Total	**81.9**	**71.8**	**84.8**	**80.9**	**81.7**	**82.2**	**82.9**	**83.1**	**1.9**
Manufacturing	81.2	70.0	85.1	80.0	80.8	81.5	82.2	82.1	2.2
Advanced processing	80.6	71.4	83.3	78.8	79.3	79.9	80.5	80.7	2.7
Primary processing	82.2	66.8	89.1	82.9	84.4	85.3	86.1	85.5	1.1
Mining	87.4	80.6	87.0	87.8	88.4	86.9	87.4	88.2	−1.0
Utilities	86.7	76.2	92.6	85.1	85.6	86.4	87.1	90.1	1.0

1. Data seasonally adjusted or calculated from seasonally adjusted monthly data.
2. Change from preceding month.
3. Contains components in addition to those shown.
r Revised.
p Preliminary.

weather helped boost production at utilities and mines, as demand for both electricity and gas surged. At 114.4 percent of its 1987 average, industrial production was 4.7 percent higher in January than it was a year ago. The utilization of total industrial capacity advanced 0.2 percentage point, to 83.1 percent, which is 2.2 percentage points above the year-ago level but 1.7 percentage points below the 1988–89 peak.

When analyzed by market group, the data show that the output of consumer goods grew 0.3 percent in January, a rate of increase about the same as December's. Within this market group, the effects of the weather were somewhat offsetting: Many plants in the motor vehicles and appliance industries closed for a day or more, but the production of electricity and gas for residential use rose sharply.

The rapid expansion in the output of business equipment excluding motor vehicles continued last month, led again by strong gains in the production of computers. The output of industrial equipment, which had risen sharply toward the end of 1993, posted only a small gain in January.

The rate of growth in the output of construction supplies fell from 1.9 percent to 0.3 percent and that of materials from 1.3 percent to 0.5 percent. Among materials, the growth of durables declined, from 1.8 percent to 0.3 percent and was led by weather-affected losses in the production of steel products and motor vehicle parts and supplies. The production of nondurable materials declined 0.6 percent after having increased during each of the three previous months. In contrast, the production of energy-related materials grew 1.7 percent.

When analyzed by industry group, the data show that reflecting the negative effects of January's severe weather, manufacturing output expanded just 0.2 percent. Production by manufacturers of durable goods grew 0.6 percent, compared with increases of 1.6 percent in November and 1.7 percent in December. Although growth in most durable goods industries slowed considerably in January, the level of production in the iron and steel industry actually fell 5.7 percent. The output of motor vehicles and parts producers increased only 1.7 percent, well short of the increases of 4.5 percent to 7.8 percent posted during the previous three months. Production by manufacturers of nondurable goods declined 0.4 percent on a broad front. The output at utilities rose a strong 3.5 percent; output had risen 0.9 percent in each of the two previous months. The output at mines increased 0.8 percent, in part because of an increase in coal production. The utilization rate in manufacturing edged down, to 82.1 percent; the rate in advanced-processing industries inched up 0.2 percentage point and that in primary-processing industries fell 0.6 percentage point. □

Statement to the Congress

Statement by Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, before the Joint Economic Committee, U.S. Congress, January 31, 1994

As you know, the Federal Reserve will be meeting later this week and will submit its semiannual report on monetary policy to the Congress in late February. At that time, I will be in a position to address more specifically our expectations for economic growth and inflation and for monetary policy in 1994. Under the circumstances, my opening remarks this morning will focus on identifying the major tendencies that are currently visible in the economy and the broad considerations that will likely be shaping our policy decisions in the weeks and months ahead.

As you may recall, during my appearances before this committee in recent years I discussed in detail the structural imbalances that I believed were impeding U.S. economic growth. I referred, in particular, to the enormous strains on the balance sheets of many households and businesses. Those strains, which had grown out of the excessive debt expansion of the 1980s, were exacerbated by the subsequent weakness in real estate prices in the early 1990s. Moreover, these difficulties spilled over to the financial intermediaries, which—faced with mounting loan losses and with pressure from the markets and regulators to improve their capital ratios—restricted credit supplies to many small firms and other borrowers.

Considerable progress has been made in correcting these imbalances. Many households and businesses have materially improved their financial positions—as evidenced by the drop in debt-servicing burdens for all sectors and the decline in debt-to-equity ratios for businesses. In addition, banks and other financial institutions, having replenished depleted capital bases, have begun to demonstrate a greater willingness to make loans.

The Federal Reserve, through its deliberately accommodative stance, has played a key role in the restructuring process. But it is important to emphasize that monetary policy must not overstay accommodation: Maintaining the confidence of financial market participants has been crucial for sustaining the declines in inflation expectations and, hence, in long-term interest rates that have facilitated the balance sheet adjustments to date. The actions taken last year to reduce the federal budget deficit have been instrumental in creating the basis for declining inflation expectations and easing pressures on long-term interest rates. Although we may not all agree on the specifics of the deficit reduction measures, the financial markets are apparently inferring that, on balance, the federal government will be competing less vigorously for private saving in the years ahead.

Partly because of these structural adjustments, the foundations of the economic expansion are looking increasingly well entrenched. Real gross domestic product rose at an annual rate of nearly 3 percent in the third quarter of 1993, and the advance estimate for the fourth quarter indicates growth of nearly 6 percent. The labor market has also shown signs of notable improvement. Payroll employment rose about 2 million last year, and unemployment dropped appreciably; the unemployment rate for December 1993, at 6.4 percent, was almost a full percentage point below the level of late 1992.

The greater buoyancy in economic activity of late has been evident across the household and business sectors. Housing construction, stimulated by mortgage rates that are the lowest in more than twenty-five years, has increased markedly; and consumer spending, after being at a lull in the first quarter of 1993, has posted sizable gains over the past three quarters. Outlays on consumer durable goods have been especially robust, in part to make up for the spending on motor vehicles that was deferred during the

1990–91 recession and the early expansion period. In addition, the pickup in home sales is bolstering purchases of furniture and appliances.

Business fixed investment was very strong throughout 1993. It rose nearly 15 percent in real terms over the four quarters of the year, and order books for early 1994 are apparently filling rapidly. Stimulated by dramatic innovations in products and extensive price cutting by the computer manufacturers, real outlays for office and computing equipment have continued to soar as cost-conscious businesses have rushed to exploit the new technologies. And with a favorable outlook for overall business sales, ample profits and cash flows, and relatively low cost of capital, firms have also increased their outlays on more traditional types of equipment. In addition, activity in the nonresidential construction sector is finally recovering from the depressed levels of the past few years.

Business inventories have been expanding only moderately in the aggregate in recent quarters, and stocks generally are lean, especially at manufacturing firms. If businesses decide that higher levels of stocks are appropriate, we could see production boosted substantially over the next few quarters. Order lead times on the delivery of materials, however, remain low and do not, at least for now, suggest an acceleration in inventory investment.

Although recent economic developments, on the whole, have been favorable, the expansion has remained uneven. In the labor market, firms' efforts to restructure and improve productivity are continuing to restrain hiring, and concerns about job security persist. In addition, employers seem to be relying to an unusual degree on the use of overtime and temporary employees, perhaps in part because of the cost of providing fringe benefits to permanent full-time workers.

Moreover, not all business sectors are faring well. In particular, industries and regions that depend heavily on military spending will continue to experience sizable dislocations and disruptions. Also, many state and local governments are still struggling to reconcile a rising demand for services—especially in education, health, and crime prevention and correction—with limited growth in revenues.

Another concern is the weakness in the economies of some of our major trading partners, which has continued to constrain our export performance. Among the industrial countries, Canada and the United Kingdom appear to be emerging from deep slumps. However, signs of near-term improvements in Japan and continental Europe are scant. In Japan, asset deflation and associated financial problems continue to hold back growth, and in Germany the far-reaching and costly adjustments associated with unification are still a restraining factor. In reaction to their economies' weak performances, monetary officials in the two countries fostered continued, cautious reductions in interest rates in 1993—as did officials in most other industrial countries. Government budget deficits generally worsened last year because of cyclical factors—and, in some cases, endeavors to stimulate demand. This deterioration of budget positions has limited the scope for further fiscal action in most countries.

As for the developing nations, economic conditions in Asia, fueled in part by exceptionally rapid growth in China, remained strong in 1993. In Latin America, however, real growth in Mexico fell to near zero, reflecting the depressing effects of a policy attempting to contain inflationary pressures and, for a time, growing uncertainty about whether the North American Free Trade Agreement (NAFTA) would be implemented.

The passage of NAFTA in November represented a significant achievement for North America. Besides reducing tariff and nontariff barriers on trade, NAFTA extends liberalization to nontraditional areas, such as financial services and intellectual property. The trade agreement reached in December in the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) also covers some of these nontraditional areas. Approval by the Congress of the GATT agreement would likely stimulate U.S. exports of high technology products. More broadly, these agreements are significant because they represent a rejection by the United States and our major trading partners of calls to turn inward in our economic and financial policies.

Interpreting the economic data for the United States over the next few months will be especially complicated. As you know, the Bureau of

Labor Statistics is redesigning the household survey of employment. Also, many key indicators of production and spending will be affected by the earthquake in southern California and by the extraordinary weather conditions elsewhere. Nevertheless, although growth in real gross domestic product will almost surely slow appreciably from the rapid pace of late 1993, the economic fundamentals appear to be in place for further solid gains in the level of activity in the quarters ahead.

Recent data on prices and wages generally suggest that inflation remained in check through 1993, with the fourth-quarter to fourth-quarter change in the so-called core consumer price index edging down to 3.1 percent, the lowest reading since the early 1970s. To be sure, the acceleration in domestic economic activity has put some upward pressure on prices of a number of industrial materials, and measures of resource utilization are considerably higher than they were six months ago. Nonetheless, productivity growth has kept unit labor costs subdued, and the broad measures of inflation have remained well contained.

No doubt, many of the forces that helped restrain inflation in 1993 will continue to do so in 1994. Businesses will almost certainly remain intent on boosting productivity and controlling costs, and competition from abroad will continue to deter price increases—even in markets with limited spare domestic capacity.

History suggests, however, that higher price inflation tends to surface rather late in the business cycle and, hence, is not a good leading indicator of emerging troubles. By the time inflation pressures are evident, many imbalances that are costly to rectify have already developed, and only harsh monetary therapy can restore the financial stability necessary to sustain growth. This situation regrettably has arisen too often in the past.

The challenge of monetary policy is to detect such latent instabilities in time to contain them. Unfortunately, they are rarely visible until relatively far advanced. Moreover, once they are identified, policy actions to counter them take time to have their effects. Thus, the need of monetary policymakers for early indicators of developing problems is evident.

Historically, many such indicators have come from the financial sector: Money supply growth, the slope of the yield curve, quality spreads, and credit flows are among the variables that have helped the monetary authorities over the years act in advance of developing problems. In recent years, however, as a result of financial innovations and the unusual nature of the most recent business cycle, such indicators have, at times, produced misleading signals. The broad money and credit aggregates, for example, have suggested declining inflation in the United States—but by far more than has actually occurred.

Turning to nonfinancial variables, the degree of slack in the economy is important because it plays a major role in influencing whether inflation is increasing or decreasing. Over the longer haul, however, the *level* of inflation—that is, the rate of price change—depends crucially on price expectations and not on the degree of slack. In the twenty years after World War II, most economists gave short shrift to expectations as a key determinant of inflation. Unemployment and inflation were considered simple tradeoffs. A lower rate of unemployment was thought to be associated with a higher, though constant, rate of inflation; conversely, a higher rate of unemployment was associated with a lower rate of inflation.

But the experience of the past three decades has demonstrated that what appears as a tradeoff between unemployment and inflation is quite ephemeral and misleading. Over the longer run, no such tradeoff is evident. Attempts to force feed the economy beyond its potential have led in the past to higher inflation and, ultimately, not to lower unemployment but to higher unemployment, as destabilizing forces and uncertainties associated with inflation induced economic contraction. In that regard, experience both here and abroad suggests that lower levels of inflation are conducive to the achievement of greater productivity and efficiency and, therefore, higher standards of living.

Currently we have the difficult task of assessing the appropriate time to move away from an extended period of monetary accommodation. The policy was established purposefully, largely to address the balance sheet strains I mentioned earlier. This monetary policy has been effective in that households and businesses are now in stronger financial condition. But the job is not yet complete. Unfortunately, although we can assess how far the process of repairing balance sheets has proceeded, we do not know how much farther it will go, mainly because of the difficulty of gauging desired levels of debt. What is clear, however, as I indicated here a year ago, is that we did not need to complete the job before evidence of faster economic growth emerged. We have been growing in fits and starts. But as we smoothed through the data of the past two years, we have seen real GDP rise at a respectable 3.4 percent annual rate—sufficient to reignite job creation and significantly reduce unemployment.

Several questions will have to be addressed by the Federal Open Market Committee. Foremost will be what time will be appropriate to move to a somewhat less accommodative level of short-term interest rates. We will have to make the judgment as to how long we can continue monetary accommodation without sowing the seeds of another bout of inflationary instability accompanied by steeply rising long-term rates. Such an outcome would bode ill for economic growth in 1995 and beyond. On the other hand, we will also have to judge whether higher rates could slow the necessary completion of balance sheet repair to a point where economic growth is inhibited.

Short-term interest rates are currently abnormally low in real terms. At some point, absent an unexpected and prolonged weakening of economic activity, we will need to move them to a more neutral stance. Such an action would not be taken to cut off or limit the economic expansion but rather to sustain and enhance it. The foremost contribution monetary policy can make to achieving higher standards of living in the United States is to provide the stable financial foundation for continued economic growth. □

Announcements

DAVID W. MULLINS, JR: RESIGNATION AS VICE CHAIRMAN AND AS A MEMBER OF THE BOARD

David W. Mullins, Jr. resigned as a member of the Board of Governors, effective as of the close of business, February 14, 1994. Following is the text of his letter to President Clinton:

January 31, 1994

The Honorable William Jefferson Clinton
The President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

I shall announce tomorrow my intention to resign as Vice Chairman and Member of the Board of Governors of the Federal Reserve System effective as of the close of business February 14, 1994. Since I shall enter the private sector later this month, I shall not attend the upcoming meeting of the Federal Open Market Committee on February 3 and 4.

It has been a great honor for me to devote my energies to public service for the past six years at the Federal Reserve, the Treasury and elsewhere. I have found this work to be extraordinarily challenging and rewarding.

During this time, the U.S. and global financial systems and economies encountered a variety of difficulties. These included the stock market crash of 1987, the savings and loan crisis, failures and stress in the banking system, problems in securities firms and markets, including the markets for high yield bonds and Treasury securities. And of course, the U.S. and world economies have experienced a wrenching period of economic recession.

In my view, much progress has been made in addressing these problems. U.S. markets are vibrant and healthy, the U.S. banking system is well capitalized and profitable, the nation's financial system is sound. The U.S. economy is now strong, with sustained growth well entrenched and inflation well contained. I have been fortunate to have had the opportunity to contribute in some modest way to financial reforms and economic policy in these areas.

Since most of the financial and economic problems, which have been the focus of my professional energies in recent years, have been essentially resolved, I feel now is the appropriate time to turn to new and different challenges in the private sector.

As one who has roots in Arkansas, I have been pleased to have participated in economic policy-making during the first year of your Administration. I have very much enjoyed working with the excellent people whom you have placed in senior economic policy positions. I leave fully confident in the strength and vitality of our nation's economy.

Sincerely yours,

David W. Mullins, Jr.

WAYNE D. ANGELL: RETIREMENT AS A MEMBER OF THE BOARD OF GOVERNORS

Wayne D. Angell retired as a member of the Board of Governors, effective as of the close of business, February 9, 1994. His term as a Board member expired January 31, 1994. Following is the text of his letter to President Clinton:

January 14, 1994

The Honorable William Jefferson Clinton
The President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

In 1985, President Reagan asked me to serve the people of the United States as a member of the Board of Governors of the Federal Reserve System for the remainder of the term ending January 31, 1994. Even though the Federal Reserve Act extends my stay in office until a successor is qualified, I choose to terminate my official duties as of February 10, 1994, soon after the minutes of the last Federal Open Market Committee meeting I attended are published.

It has been my privilege to have served my country in this position. To the best of my ability I have kept the pledge I made to President Reagan, the United States Senate, and the American people to give first priority to stabilize the value of our currency. In my view, the best contribution monetary policy can make to our nation's goals of economic growth and expanded employment is to protect our citizens from a continuous erosion in the value of our currency. The payoff is already apparent in lower interest rates and increased labor productivity.

I am pleased by the successful reduction of the underlying inflation rate during the period the Board of Governors was enunciating a goal of zero inflation. But, if the quest for price-level stability is replaced by an acceptance of an inflation rate stabilized at say 2½ percent, then we are accepting the fact that the domestic value of the dollar will be cut in half every generation, 28 years. I believe that any country that chooses to cheat its citizens by devaluing its currency defrauds the trust that people have in their government.

I hope you understand the spirit in which I continue this crusade.

Respectfully yours,

Wayne Angell

STATEMENT BY CHAIRMAN GREENSPAN ON THE RESIGNATION OF VICE CHAIRMAN MULLINS AND THE RETIREMENT OF GOVERNOR ANGELL

Chairman Alan Greenspan of the Federal Reserve Board made the following statement on February 1, 1994:

I wish my two departing colleagues well in their future endeavors. Only those of us who have had the privilege of working with David Mullins and Wayne Angell on a day-to-day basis can fully appreciate the contributions they have made to the success of the Federal Reserve System during their tenures. To say they will be missed is an understatement. They have been close personal friends and trusted colleagues.

APPOINTMENT OF NEW MEMBERS TO THE CONSUMER ADVISORY COUNCIL

The Federal Reserve Board on January 25, 1994, named seven members to its Consumer Advisory Council to replace those members whose terms have expired and designated a new chairman and vice chairman of the council for 1994.

The Consumer Advisory Council was established by the Congress in 1976, at the suggestion of the Board, to advise the Board on the exercise of its duties under the Consumer Credit Protection Act and on other consumer-related matters. The thirty-member Council, with staggered three-year terms of office, meets three times a year.

Jean Pogge, Vice President of South Shore Bank in Chicago, Illinois, was designated Chairman. Her term will run through December 1994. James West, President of Jim West Financial Group in Tijeras, New Mexico, was designated Vice Chairman. His term on the Council expires in December 1995.

The seven new members are the following:

Alvin J. Cowans
Orlando, Florida

Mr. Cowans is President and CEO of McCoy Federal Credit Union, a community-chartered credit union with more than $107 million in assets. He represents Region III on the Board of Directors of the National Association of Federal Credit Unions. Mr. Cowans has earned numerous achievement awards for community service and was named by the *Orlando Sentinel* newspaper in December 1989 as the Central Florida Business Journal's "Person in Profile." In 1992 he was listed in Who's Who of American Business Leaders. Mr. Cowans currently teaches required courses for the Credit Union Executive Exam to employees from credit unions in the surrounding area and has served as an Adjunct Professor at Valencia Community College.

Elizabeth G. Flores
Laredo, Texas

Ms. Flores is Senior Vice President and Community Reinvestment Officer for Laredo National Bank, with responsibility for the Community Development Department and community reinvestment program. She has been with the bank eighteen years; her duties have included managing more than $900 million in liabilities for the bank, developing sales strategies for various investment accounts, and counseling the bank's customers on investment opportunities. Ms. Flores has a long history of civic and consumer advocacy in her hometown. She is a member of the Border Low Income Housing Coalition, which recently issued the Border Housing and Community Development Partnership report outlining a series of action steps for revitalizing the barrios and colonias along the Texas–Mexico border. She also serves on the statewide boards of the Texas Department of Housing and Community Affairs and Texans' War on Drugs.

Katharine W. McKee
Durham, North Carolina

Ms. McKee is Associate Director of the Center for Community Self-Help. The center and its affiliates constitute one of the nation's most successful community development banks. With assets of $50 million, Self-Help specializes in financing small businesses, low-income homebuyers, and nonprofit corporations that cannot obtain credit from traditional sources. Before joining the center, Ms. McKee was program officer in the Rural Poverty Program at the Ford Foundation. She has been active in forming policy recommendations on community development banking and has worked closely with a national coalition of community development financial institutions to provide information and policy recommendations to congressional banking committees and to Clinton Administration staff. Ms. McKee chairs the Business Development Committee of the North Carolina Rural Economic Development Center.

Anne B. Shlay
Philadelphia, Pennsylvania

Dr. Shlay is an Associate Director with the Institute for Public Policy Studies at Temple University. Previously, she was a Research Scientist at the Johns Hopkins Institution for Policy Studies and Associate Professor of Sociology. Dr. Shlay was among the first to conduct research using computerized Home Mortgage Disclosure Act (HMDA) data and has conducted numerous studies of credit flow patterns across metropolitan areas. Because Dr. Shlay is familiar with a variety of points of view within and outside the banking industry, her work has been used to develop programs in both the public and private sectors. Dr. Shlay is currently conducting research on residential finance and consumer services in Maryland metropolitan areas. The first part of the research is an examination of community credit-flow patterns based on HMDA data for the 1985–91 period; the second part relates to looking at consumer services across financial institutions. This research is supported by a consortium of both lenders and public sector participants.

Reginald J. Smith
Kansas City, Missouri

Mr. Smith is President of United Missouri Mortgage Company, which is a member of the United Missouri Bankshares, Inc., banking system. He has been with the system for twelve years, ten of those with the mortgage operation in which he has served in various capacities. Mr. Smith currently manages daily operations and financial management for the firm. He is active in various mortgage banking organizations; currently he serves on the Board of Governors of the Mortgage Bankers Association of America and is a member of the executive committee and the chairman of the diversity committee. He previously served as the chairman of the Legislative Committee for the Greater Kansas City Mortgage Bankers Association.

Lorraine VanEtten
Troy, Michigan

Ms. VanEtten is Vice President and Community Lending Officer of Standard Federal Bank of Troy. Her primary responsibility is to direct the development, implementation, and evaluation of mortgage lending programs designed for low- and moderate-income borrowers. Ms. VanEtten reviews all marginal and rejected minority or low- and moderate-income applicants; if she approves them, they are placed in the bank's special Tracking Program. Ms. VanEtten also monitors the bank's compliance with the Community Reinvestment Act (CRA), conducts CRA compliance seminars for the bank's mortgage lending personnel, and meets with business, civic, and community-based organizations regarding the bank's efforts to stimulate urban revitalization. She is a member of the Housing Task Force of the Savings and Community Bankers of America.

Lily K. Yao
Honolulu, Hawaii

Ms. Yao is President and CEO of Pioneer Federal Savings, a wholly owned independent subsidiary of First Hawaiian, Inc. She is the first woman president of a major financial institution in Hawaii. Ms. Yao has been with Pioneer Federal since 1968; her duties have included managing its eighteen branches, building up capital from a negative $187,000 to more than $62 million, and converting from mutual to stock ownership. Currently she is a member of the board of directors of the Savings and Community Bankers of America, representing nine states (Alaska, Hawaii, Idaho, Montana, Nevada, Oregon, Washington, Wyoming, and Utah). Previously, she served on the board of directors of the Federal Home Loan Bank of Seattle, representing Hawaii and Guam. She has also served as president of the Hawaii Chapter of the American Red Cross and as president of the Chinese Chamber of Commerce of Hawaii. She was recently appointed by the Governor of Hawaii to a four-year term on the Board of Regents of the University of Hawaii.

Other council members, whose terms continue through 1994 and 1995, are listed below (together with the expiration date of each one's term of office).

Barry A. Abbott, Partner, Morrison & Foerster, San Francisco, California, December 31, 1994

James R. Adams, Corporate Vice President and Compliance Officer, CoreStates Financial Corporation, Philadelphia, Pennsylvania, December 31, 1994

John A. Baker, Senior Vice President, Equifax, Inc., Atlanta, Georgia, December 31, 1994

Mulugetta Birru, Executive Director, Urban Redevelopment Authority of Pittsburgh, Pittsburgh, Pennsylvania, December 31, 1994

D. Douglas Blanke, Director of Consumer Policy, Office of the Attorney General, St. Paul, Minnesota, December 31, 1995

Genevieve Brooks, Deputy Borough President, Office of the Bronx Borough President, Bronx, New York, December 31, 1994

Cathy Cloud, Enforcement Program Director, National Fair Housing Alliance, Washington, District of Columbia, December 31, 1994

Michael D. Edwards, President, Prairie Security Bank, Yelm, Washington, December 31, 1994

Michael Ferry, Staff Attorney, Consumer Unit, Legal Services of Eastern Missouri, Inc., St. Louis, Missouri, December 31, 1995

Norma L. Freiberg, Community Activist, New Orleans, Louisiana, December 31, 1995

Lori Gay, Executive Director, Los Angeles Neighborhood Housing Services, Los Angeles, California, December 31, 1995

Bonnie Guiton, Dean, McIntire School of Commerce, University of Virginia, Charlottesville, Virginia, December 31, 1995

Gary S. Hattem, Vice President, Community Development Group, Bankers Trust Company, New York, New York, December 31, 1994

Ronald A. Homer, Chairman and Chief Executive Officer, Boston Bank of Commerce, Boston, Massachusetts, December 31, 1995

Thomas L. Houston, Executive Director, The Dallas Black Chamber of Commerce, Dallas, Texas, December 12, 1995

Edmund Mierzwinski, Consumer Advocate, U.S. Public Interest Research Group, Washington, District of Columbia, December 31, 1994

John V. Skinner, President and Chief Executive Officer, Jewelers Financial Services, Inc., Irving, Texas, December 31, 1994

Lowell N. Swanson, (Retired) President, United Finance Co., Portland, Oregon, December 31, 1994

Michael W. Tierney, Director, Local Initiatives Support Corporation, Washington, District of Columbia, December 31, 1994

Grace W. Weinstein, Financial Writer and Consultant, Englewood, New Jersey, December 31, 1995

Robert O. Zdenek, Senior Program Officer, Annie E. Casey Foundation, Greenwich, Connecticut, December 31, 1995

Operating Income of the Federal Reserve Banks: Preliminary Figures

Preliminary figures indicate that operating income of the Federal Reserve Banks amounted to $18.913 billion during 1993. Net income before payment of dividends, additions to surplus, and payments to the Treasury totaled $16.528 billion. About $15.985 billion was paid to the U.S. Treasury during 1993.

The Federal Reserve System derives its income primarily from interest earned on U.S. government securities that the Federal Reserve has acquired through open market operations. Income from the provision of financial services amounted to $756 million.

Operating expenses of the twelve Reserve Banks and branches totaled $1.609 billion. Also, earnings credits totaling $182 million were granted to depository institutions under the Monetary Control Act of 1980. Assessments to Reserve Banks for Board expenditures totaled $140 million, and the cost of currency amounted to $356 million.

Net deductions from income amounted to $201 million. Net deductions from income resulted primarily from the initial accrual of postretirement employee benefits required by the adoption of the Statement of Financial Accounting Standards (SFAS) No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." This accrual was partially offset by gains on the sales of assets denominated in foreign currencies and securities from the System Open Market Account. Statutory dividends to member banks were $195 million.

Under the policy established by the Board of Governors at the end of 1964, all net income after the statutory dividend to member banks and the amount necessary to equate surplus to paid-in capital is transferred to the U.S. Treasury as interest on Federal Reserve notes.

APPOINTMENT OF NEW CLASS C DIRECTORS

The Federal Reserve Board announced on January 6, 1994, the appointment of new Class C directors at seven Reserve Banks, including a new deputy chairman at the Federal Reserve Bank of New York.

Each Reserve Bank has a board of directors of nine members. The Board of Governors in Washington appoints three of these directors and designates one of its appointees as chairman and a second as deputy chairman.

Following are the names of the newly appointed Class C directors:

New York. David A. Hamburg, President, Carnegie Corporation, New York, New York. Mr. Hamburg was also designated Deputy Chairman for 1994.

Philadelphia. Joan Carter, President and COO, United Medical Corporation, Haddonfield, New Jersey.

Cleveland. Robert Y. Farrington, Executive Secretary-Treasurer, Ohio State Building and Construction Trades Council, Columbus, Ohio.

Atlanta. Daniel E. Sweat, Jr., Coordinator, The Atlanta Project, Atlanta, Georgia.

St. Louis. Veo Peoples, Jr., Partner, Peoples, Hale & Coleman, St. Louis, Missouri.

Minneapolis. David A. Koch, Chairman and CEO, Graco, Inc., Golden Valley, Minnesota.

Kansas City. Colleen D. Hernandez, Executive Director, Kansas City Neighborhood Alliance, Kansas City, Missouri.

Each was appointed to a three-year term beginning January 1994.

The names of Reserve Bank chairmen and deputy chairmen for 1994, with the exception of the deputy chairman at New York, were announced in September.

PROPOSED ACTIONS

The Federal Reserve Board on January 25, 1994, extended for thirty days the comment period on a proposal to amend its Regulation M (Consumer Leasing). Comments should now be received by February 24 and should refer to Docket No. R-0815.

The Federal Reserve Board on January 25, 1994, extended for thirty days the period for comment on proposed changes to Regulation BB (Community Reinvestment), which carries out provisions of the Community Reinvestment Act (CRA). Comments should now be received by March 24, 1994, and should refer to Docket No. R-0822.

The Federal Reserve Board on January 10, 1994, extended for thirty days the period for comment on a proposal to amend its Regulation DD (Truth in Savings), dealing with the calculation of the annual percentage yield for certain deposit accounts. Comments should now be received by February 14 and should refer to Docket No. R-0812.

The Federal Reserve Board published for comment on January 31, 1994, a proposed official staff commentary to Regulation DD. Comments are requested by April 1, 1994.

PUBLICATION OF REVISED LISTS OF MARGINABLE OTC STOCKS AND OF FOREIGN MARGIN STOCKS

The Federal Reserve Board published on January 28, 1994, a revised List of Marginable OTC Stocks that are subject to its margin regulations. Also published was the List of Foreign Margin Stocks (Foreign List) for foreign equity securities that meet the criteria in Regulation T (Credit by Brokers and Dealers).

The lists were effective February 14, 1994, and supersede the previous lists that were effective November 9, 1993.

The Foreign List specifies those foreign equity securities that are eligible for margin treatment at broker–dealers. There were eighteen additions to the Foreign List, which now contains 317 foreign equity securities. There were no deletions.

The changes that have been made to the revised over-the-counter (OTC) list, which now contains 3,744 OTC stocks, are as follows:

- Two hundred seventy-four stocks have been included for the first time, 238 under National Market System (NMS) designation

• Seventeen stocks previously on the list have been removed for substantially failing to meet the requirements for continued listing

• Fifty-nine stocks have been removed for reasons such as listing on a national securities exchange or involvement in an acquisition.

The Board publishes the OTC List for the information of lenders and the general public. It includes all OTC securities designated by the Board pursuant to its established criteria as well as all OTC stocks designated as NMS securities for which transaction reports are required to be made pursuant to an effective transaction reporting plan. Additional OTC securities may be designated as NMS securities in the interim between the Board's quarterly publications and will be immediately marginable. The next publication of the Board's OTC and Foreign List is scheduled for April 1994.

Besides NMS-designated securities, the Board will continue to monitor the market activity of other OTC stocks to determine which stocks meet the requirements for inclusion and continued inclusion on the OTC List.

BULLETIN TABLE: ERRATA

The table below first appeared on page 93 in "Residential Lending to Low-Income and Minority Families: Evidence from the 1992 HMDA Data," in the February 1994 issue of the *Bulletin*. Some of the figures in the tier of data labeled "Borrowers and loan characteristics" were incorrect; they have now been corrected.

10. Distribution of loans, by neighborhood income, 1992[1]

Item	Low or moderate income	Middle income	Upper income	Total
Number (in thousands)	578	2,834	2,425	5,838
Distribution of loans (percentage of total)[2]				
Number	9.9	48.6	41.5	100.0
Dollar amount	6.8	39.9	53.3	100.0
Type of loan				
Home purchase	38.1	34.1	31.3	33.3
Home improvement	16.3	11.1	7.8	10.7
Refinancings	45.6	54.8	61.0	56.4
Total	100.0	100.0	100.0	100.0
Distribution of home purchase loans by type (percentage of total)				
Conventional	67.2	72.6	83.7	76.3
FHA-insured	25.7	19.7	10.9	17.0
VA-guaranteed	7.0	7.6	5.3	6.6
Total	100.0	100.0	100.0	100.0
MEMO:				
Extended to nonoccupant owners	9.4	5.1	3.3	4.9
Borrowers and loan characteristics				
Median borrower income relative to MSA median family income for all loans	100.3	118.7	168.6	137.7
Median loan amount relative to MSA median family income for all loans[3]	148.7	184.9	274.0	218.6
Median borrower income for all loans (thousands of dollars)[3]	42.2	49.8	71.0	57.9
Median loan amount for all loans (thousands of dollars)[3]	64.5	79.2	116.8	93.5
Race or ethnic group of borrower (percentage of the number of all loans)				
Black	11.8	3.3	1.9	3.5
Hispanic	10.9	3.7	2.5	3.9
Asian	4.6	3.5	4.2	3.9

1. Census tracts are categorized by the median family income for the tract relative to the median family income for the metropolitan statistical area (MSA) in which the tract is located. Categories are defined as follows: *Low or moderate*, median family income less than 80 percent of the median family income for MSA; *Middle income*, median family income 80 percent to 120 percent of MSA median; *Upper income*, median family income more than 120 percent of MSA median.
2. Excludes multifamily loans.
3. Averaged across census tracts in category.

SOURCE. FFIEC, Home Mortgage Disclosure Act data.

PUBLICATION OF THE Annual Statistical Digest, 1992

The Annual Statistical Digest, 1992 is now available. This one-year *Digest* is designed as a compact source of economic, and especially financial, data. The *Digest* provides a single source of historical continuations of the statistics carried regularly in the *Federal Reserve Bulletin.*

This issue of the *Digest* covers only 1992 unless data were revised for earlier years. It serves to maintain the historical series first published in *Banking and Monetary Statistics, 1941–1970,* and the *Digest* for 1970–79, for 1980–89, and yearly issues. A *Concordance of Statistics* will be included with all orders. The *Concordance* provides a guide to tables that cover the same material in the current and the previous single-year issues of the *Digest,* the ten-year *Digest* for 1980–89, and the *Bulletin.*

Copies of the *Digest* at $25.00 each are available from Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551. □

Legal Developments

Final Rule—Amendments to Regulations G, T, U and X

The Board of Governors is amending 12 C.F.R. Parts 207, 220, 221 and 224, its Regulations G, T, U and X (Securities Credit Transactions; List of Marginable OTC Stocks; List of Foreign Margin Stocks). The List of Marginable OTC Stocks (OTC List) is composed of stocks traded over-the-counter (OTC) in the United States that have been determined by the Board of Governors of the Federal Reserve System to be subject to the margin requirements under certain Federal Reserve regulations. The List of Foreign Margin Stocks (Foreign List) is composed of foreign equity securities that have met the Board's eligibility criteria under Regulation T. The OTC List and the Foreign List are published four times a year by the Board. This document sets forth additions to and deletions from the previous OTC List and additions to the Foreign List.

Effective February 14, 1994, accordingly, pursuant to the authority of sections 7 and 23 of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78g and 78w), and in accordance with 12 C.F.R. 207.2(k) and 207.6 (Regulation G), 12 C.F.R. 220.2(u) and 220.17 (Regulation T), and 12 C.F.R. 221.2(j) and 221.7 (Regulation U), there is set forth below a listing of deletions from and additions to the OTC List and additions to the Foreign List.

Deletions from the List of Marginable OTC Stocks

Stocks Removed for Failing Continued Listing Requirements

All American Semiconductor, Inc.: Class B, Warrants (expire 06-18-97)
Alliance Imaging, Inc.: $.01 par common

BKLA Bancorp (California): No par common

California Micro Devices Corp.: Warrants (expire 04-16-97)
Candies, Inc.: Warrants (expire 01-18-94)
CBL Medical, Inc.: $.01 par common

Dynasty Classics Corporation: No par common

Energy Conversion Devices, Inc.: $.01 par common

Future Communications Inc.: $.001 par common

Industrial Funding Corp.: Class A, No par common
Invitro International: Warrants (expire 05-16-96)

Keene Corporation: $.0001 par common

Neozyme Corporation: $.01 par common

Tele-Communications, Inc.: Liquid yield options due 2008
TSL Holdings Inc.: $.01 par common

W.W. Williams Company, The: $1.00 par common
Wegener Corporation: $.01 par common

Stocks Removed for Listing on a National Securities Exchange or Being Involved in an Acquisition

A&W Brands, Inc.: $.01 par common
Ahold N.V.: American Depositary Receipts
Amoskeag Company: $1.00 par common
Aritech Corp.: $1.00 par common
Autotrol Corporation: $.10 par common

Boston Five Bancorp, Inc.: $.01 par common
Bytex Corporation: $.10 par common

Checkpoint Systems, Inc.: $.10 par common
Compania Boliviana de Energia Electrica S.A.: No par common
Corestates Financial Corporation: $1.00 par common
Costco Wholesale Corporation: $.0033 par common

Elmwood Bancorp, Inc. (Pennsylvania): $1.00 par common
Engraph, Inc.: $1.00 par common

First Amarillo Bancorporation, Inc.: $1.00 par common
First Amfed Corporation: $.01 par common
First Bancorp Indiana, Inc.: No par common

Gateway Fed Corporation (Ohio): $.01 par common
Geraghty & Miller, Inc.: $.01 par common
Gerrity Oil and Gas Corporation: $.01 par common
Goody Products, Inc.: $.10 par common

Heritage Bankcorp, Inc. (Michigan): $.01 par common

Integrated Health Services, Inc.: $.001 par common
Interfirst Bankcorp, Inc. (Michigan): $.01 par common

Jackson Country Federal Bank, A Federal Savings Bank: Series A, preferred stock
Jefferson Bank (Pennsylvania): $1.75 par common

Kendall International, Inc.: $.01 par common

Masco Industries, Inc.: $1.00 par common; 6% convertible debentures due 2011
Meca Software, Inc.: $.01 par common
Medco Containment Services, Inc.: $.01 par common
Mid-State Federal Savings Bank (Florida): $1.00 par common
Millicom Incorporated: $.01 par common
Morrison Incorporated: $.01 par common

National Data Corporation: $.125 par common

Ohio Bancorp: No par common
Oil-Dri Corporation of America: $.10 par common
Osmonics, Inc.: $.01 par common

Pacific Bancorporation (California): $1.88 par common
Preferred Health Care Ltd.: $.01 par common

Railroadmen's Federal Savings & Loan Association: $.01 par capital

Salem Sportswear Corporation: $.01 par common
Secor Bank, Federal Savings Bank (Alabama): $.01 par common
Simula, Inc.: $.01 par common
Statesman Group, Inc., The: $1.00 par common; 6-¼% convertible subordinated debentures
Stewart Information Services Corp.: $1.00 par common
Sun Coast Plastics, Inc.: $.01 par common

Telematics International, Inc.: $.01 par common
Total Energold Corporation: No par common
Total Pharmaceutical Care, Inc.: No par common
Tristate Bancorp, The (Ohio): $1.00 par common

United Mobile Homes, Inc.: $.10 par common
United Thermal Corporation: $.10 par common

Valley Bancorp, Inc.: $5.00 par common
Valley National Bancorp: No par common

Washington Homes, Inc.: $.01 par common
Wellington Leisure Products, Inc.: $.01 par common
Wisconsin Southern Gas Company, Inc.: $5.00 par common
Wiser Oil Company, The: $3.00 par common

Additions to the List of Marginable OTC Stocks

AAON, Inc.: $.001 par common
ABC Rail Products Corporation: $.01 par common
Active Voice Corporation: No par common
Advanced Technology Materials, Inc.: $.01 par common
AFC Cable Systems, Inc.: $.01 par common
Airport Systems International, Inc.: $.01 par common
Aladdin Knowledge Systems, Ltd.: Ordinary Shares, NIS .01 par value
Alliance Semiconductor Corporation: $.01 par common
Allied Capital Lending Corporation: $.0001 par common
Allied Life Financial Corporation: No par common
Alpha Microsystems: Warrants (expire 09–01–98)
American Mobile Satellite Corporation: $.01 par common
American Recreation Company Holdings Inc.: $.01 par common
American Telecasting, Inc.: $.01 par common
Amerigon Incorporated: Class A, No par common
Ameristar Casinos Inc.: $.01 par common
Amrion Inc.: $.0011 par common
Applied Innovation Inc.: $.01 par common
Applied Microbiology, Inc.: $.005 par common
Applied Science & Technology Inc.: $.01 par common; Warrants (expire 11–10–98)
Arakis Energy Corporation: No par common
Arris Pharmaceutical Corporation: $1.00 par common
Asante Technologies, Inc.: $.001 par common
Astoria Financial Corporation: $.01 par common
Atlantic Beverage Co., Inc.: $.01 par common

Banco McGlocklin Capital Corporation: Series A; $.01 par adjustable rate cumulative preferred
Bankunited Financial Corporation (Florida): $.01 par noncumulative perpetual preferred
Billy Blues Food Corporation: 9% cumulative convertible preferred
Bioject Medical Tech Inc.: No par common
Bollinger Industries Inc.: $.01 par common
Boston Chicken: $.01 par common
Brothers Gourmet Coffees Inc.: $.001 par common

C. Brewer Homes, Inc.: Class A, $.01 par common
Cable Design Technologies Corporation: $.01 par common
Cablemaxx Inc.: $.01 par common
Call-Net Enterprises Inc.: Class B; No par common
Capital Savings Bancorp Inc. (Michigan): $.01 par common
Cardinal Bancshares, Inc. (Kentucky): No par common
Careline, Inc.: $.0001 par common
Carson Pirie Scott & Co.: $.01 par common
CBT Corporation: No par common
Celex Group, Inc.: $.01 par common
Cellstar Corporation: $.01 par common
CHC Helicopter Corporation: Class A, subordinate voting shares
Children's Broadcasting Corporation: $.01 par common
Clintrials Inc.: $.01 par common
Club Car Inc.: $.01 par common
CMC Industries Inc.: $.01 par common
Coastal Banc Savings Association (Texas): Series A; No par noncumulative preferred
Coflexip: American Depositary Receipts
Commerce Group, Inc., The: $.50 par common
Communications Central Inc.: $.01 par common
Conso Products Company: No par common
Consolidated Stainless Inc.: $.01 par common
Consumer Portfolio Services, Inc.: No par common
Credence Systems Corporation: $.001 par common
Crescent Airways Corporation: $.01 par common; Warrants (expire 01–10–98)
Crossmann Communities Inc.: No par common

D&N Financial Corporation: Warrants (expire 12–31–96)
Davel Communications Group Inc.: No par common
Deckers Outdoor Corporation: $.01 par common
Delta Petroleum Corporation: $.01 par common
Digidesign, Inc.: $.001 par common
DM Management Company: $.01 par common
Duracraft Corporation: No par common

Eateries, Inc.: $.002 par common
EB, Inc.: $2.00 par common
Elephant & Castle Group, Inc.: No par common
Ellett Brothers, Inc.: $.01 par common
Encad, Inc.: No par common
Encon Systems, Inc.: $.01 par common
Ensys Environmental Products Inc.: $.01 par common
Envirogen, Inc.: Warrants (expire 10–12–98)
Enviropur Waste Refining & Technology Inc.: $.01 par common; Class B, Warrants (expire 12–31–94)
Evergreen Media Corporation: 6% convertible exchangeable preferred

Fairfield Communities, Inc.: $.01 par common
Farmers & Mechanics Bank (Connecticut): $.01 par common
FFLC Bancorp, Inc. (Florida): $.01 par common
Fidelity Bancorp Inc. (Illinois): $.01 par common
Fidelity Federal Savings Bank of Florida: $1.00 par common
First Banking Company of Southeast Georgia: $1.00 par common
First Bankshares Inc. (Missouri): $.01 par common
First Charter Bank, N.A. (California): $2.56 par common
First Financial Bankshares, Inc. (Texas): $10.00 par common
First Savings Bank of Moore County Inc., SSB: No par common
First State Bancorporation (New Mexico): No par common
Flair Corporation: $.01 par common
Foamex International, Inc.: $.01 par common
Franklin Ophthalmic Instruments Co., Inc.: $.001 par common
Friedman's Inc.: Class A; $.01 par common
Frisco Bay Industries Ltd.: No par common
FTP Software Inc.: $.01 par common
Fulcrum Technologies, Inc.: No par common

Gaming Corporation of America: $.02 par common
Gateway 2000 Inc.: $.01 par common
Gibraltar Steel Corporation: $.01 par common
Globalink, Inc.: $.01 par common
Golden Systems Inc.: No par common
Granite Broadcasting Corporation: $.01 par cumulative convertible exchangeable preferred
Grasso Corporation: $.01 par common
Great American Communications Company: Class A; No par common
Greenwich Air Services Inc.: $.01 par common
Gryphon Holdings Inc.: $.01 par common

Hallmark Capital Corporation: $1.00 par common
Harbor Federal Savings Bank (Florida): $1.00 par common
Harvard Industries Inc.: Class B; $.01 par common; $.01 par 14-1/4% PIK exchangeable preferred
Harvey Comics Entertainment, Inc.: No par common
Healthwise of America, Inc.: $.25 par common
Heidemij N.V.: $.05 par common (NLG)
Hi-Rise Recycling Systems, Inc.: $.01 par common
Holophane Corp.: $.01 par common
Human Genome Sciences Inc.: $.01 par common

ICO, Inc.: Depositary shares
Illinois Superconductor Corporation: $.001 par common

Innovative Gaming Corporation: $.01 par common; Warrants (expire 05–28–96)
Insignia Financial Group, Inc.: Class A, $.01 par common
Insilco Corporation: $.001 par common
Insite Vision Inc.: $.01 par common
Integracare Inc.: $.001 par common
Integrated Process Equipment Corporation: $.01 par common
Intelligent Surgical Lasers, Inc.: Warrants A (expire 11–17–2000); Warrants B (expire 11–17–2000)
Interfilm, Inc.: $.01 par common
Interlink Electronics: No par common
International Fast Food Corporation: $.01 par common
International Semi-Tech Microelectronics: Class A, sub-voting shares
Interpore International: No par common
Itron, Inc.: No par common
Iwerks Entertainment Inc.: $.001 par common

Jacor Communications Inc.: $.10 par common; Warrants (expire 01–14–2000)
Jasmine Ltd.: $.001 par common
Jetform Corporation: No par common
JPE, Inc.: No par common

Kaman Corporation: Depositary Shares
Kentucky Enterprise Bancorp, Inc.: $.01 par common
Koala Corporation: $.10 par common
Koo Koo Roo, Inc.: $.01 par common

Lakeview Savings Bank (New Jersey): $2.00 par common
Landair Services Inc.: $.01 par common
Lodgenet Entertainment Corporation: $.01 par common
London & Overseas Freighters Limited: American Depositary Receipts
Lone Star Casino Corporation: $.001 par common
Louisville Gas and Electric Company: 5% preferred stock

M.G. Products, Inc.: No par common
Mace Security International Inc.: $.01 par common
Macromedia, Inc.: $.001 par common
Main Street Community Bancorp, Inc.: $.01 par common
Martek Biosciences Corporation: $.10 par common
Masland Corporation: $.01 par common
Merchants Bancorp, Inc. (Illinois): $1.00 par common
Mercury Interactive Corporation: $.002 par common
Mikohn Gaming Corporation: $.10 par common
Millicom International Cellular S.A.; $2.00 par common
MK Gold Company: $.01 par common
Monaco Finance, Inc.: Class A, $.01 par common; Class B, Warrants (expire 12–11–95)
Monterey Pasta Company: No par common
Mountasia Entertainment International Inc.: No par common
MRI Management Associates, Inc.: $.001 par common
Mutual Federal Savings Bank of Miamisburg: $1.00 par common

N-Viro International Corporation: $.01 par common
National Dentex Corporation: $.01 par common
Navarre Corporation: No par common
NDC Automation, Inc.: $.01 par common
Network Imaging Corporation: $.0001 par common; $.0001 par preferred; Warrants (expire 05–07–97)
New World Power Corporation: $.01 par common
North Bancshares Inc. (Illinois): $.01 par common

Ocean Optique Distributors, Inc.: No par common
Odetics, Inc.: Class A, $.10 par common; Class B, $.10 par common
Old Second Bancorp Inc. (Illinois): No par common
Olympic Financial Ltd. (Minnesota): 8% cumulative convertible exchangeable preferred
OM Group Inc.: $.01 par common
Opinion Research Corporation: $.01 par common
Oxford Resources Corporation: Class A, $.01 par common

P.A.M. Transportation Services Inc.: $.01 par common
Pacific Credit Capital Inc.: $.01 par common
Parkervision, Inc.: $.01 par common
Partnerre Holdings Ltd.: $1.00 par common
Patterson Energy Inc.: $.01 par common; Warrants (expire 11–02–95)
Penederm Inc.: No par common
Penn-America Group, Inc.: $.01 par common
Perseptive Technologies II Corporation: Units (expire 12–31–95)
Petrocorp Incorporated: $.01 par common
Petstuff Inc.: $.01 par common
Pharmhouse Corporation: No par common
Pharmos Corporation: $.03 par common
Photonics Corporation: $.001 par common
Physicians Insurance Company of Michigan: $1.00 par common
Piemonte Foods Inc.: No par common
Pinpoint Retail Solutions, Inc.: No par common
Planar Systems, Inc.: No par common
PMC Commercial Trust: Shares of beneficial interest
Pollo Tropical, Inc.: $.01 par common
Positron Corporation: $.01 par common; Warrants (expire 12–02–98)

Premiere Page, Inc.: $.01 par common
Proxim, Inc.: $.001 par common
PSB Holdings Corporation: $.01 par common
Purus, Inc.: $.001 par common

Quaker City Bancorp, Inc. (California): $.01 par common
Quaker Fabric Corporation: $.01 par common
Queens County Bancorp, Inc. (New York): $.01 par common
Quickturn Design Systems, Inc.: $.001 par common

Racotek, Inc.: $.01 par common
Railtex, Inc.: $.10 par common
Republic Security Financial Corporation (Florida): Series A, 7.5% cumulative convertible preferred
RGB Computer & Video, Inc.: No par common
Rimage Corporation: Warrants (expire 07–21–95)
Roberds Inc.: No par common
Robotic Vision Systems, Inc.: $.01 par common
Royce OTC Micro-Cap Fund, Inc.: $.001 par common

Safeskin Corporation: $.01 par common
Sangstat Medical Corporation: No par common
Schnitzer Steel Industries Inc.: Class A, $1.00 par common
Search Capital Group, Inc.: $.01 par common
Security Capital Corporation (Wisconsin): $1.00 par common
SEDA Specialty Packaging Corporation: No par common
Shaw Group Inc., The: $.01 par common
Skybox International Inc.: $.01 par common
Sonoco Products Company: Series A, cumulative convertible preferred
Soricon Corporation: $.01 par common
Southwest Bancorp, Inc. (Oklahoma): $1.00 par common
Specialty Equipment Companies Inc.: $.01 par common
Spectral Diagnostics, Inc.: No par common
Spreckels Industries, Inc.: Class A, $.01 par common
Stacey's Buffet, Inc.: Warrants (expire 11–12–98)
State Bancshares Inc. (Pennsylvania): $1.00 par common
Stimsonite Corporation: $.01 par common
Submicron Systems Corporation: $.0001 par common
Summa Industries, Inc.: No par common
Sunbelt Companies, Inc., The: $.01 par common
Sutton Resources, Ltd.: No par common
Sylvan Learning Systems Inc: $.01 par common

TAT Technologies Ltd: Ordinary shares, NIS (0.15 par common); Class A, Warrants (expire 03–31–94)
Tee-Comm Electronics Inc.: No par common
Temtex Industries, Inc.: $.20 par common
TFC Enterprises, Inc.: $.01 par common
Tower Air Inc.: $.01 par common
Transnational Re Corporation: Class A, $.01 par common
Triad Guaranty Inc.: $.01 par common
Triquint Semiconductor, Inc.: No par common

U.S. Wireless Data, Inc.: Class A, $.01 par common
Ultimate Electronics Inc.: $.01 par common
Union Switch & Signal Inc.: $.01 par common
Uniphase Corporation: $.001 par common
United Video Satellite Group, Inc.: Class A, $.01 par common
Universal Forest Products Inc.: No par common
Urban Outfitters Inc.: $.0001 par common

Veritas Software Corporation: No par common
Viagene, Inc.: $.001 par common
VISC, Incorporated: $.01 par common

Wang Laboratories, Inc.: $.01 par common; Warrants (expire 07–02–2000)
Welbilt Corporation: $.01 par common
West Marine, Inc.: $.001 par comon
Westerfed Financial Corporation: $.01 par common
White River Corporation: $.01 par common
Wickes Lumber Company: $.01 par common
WRT Energy Corporation: $.01 par common; 9% convertible preferred
WVS Financial Corporation: $.01 par common

Zoltek Companies, Inc.: $.01 par common
Zytec Corp.: No par common

Additions to the List of Foreign Margin Stocks

Cheung Kong Holdings Ltd: HK$.50 par ordinary shares
China Light & Power Co., Ltd.: HK$5.00 par ordinary shares

Daifuku Company: ¥50 par ordinary shares
Dairy Farm International Holdings Ltd.: HK$.05 par ordinary shares

Guoco Group Ltd.: HK$.50 par ordinary shares

Hang Lung Development Company: HK$1.00 par ordinary shares
Hang Seng Bank Ltd.: HK$5.00 par ordinary shares
Henderson Land Development Co., Ltd.: HK$2.00 par ordinary shares

Hong Kong Electric Holdings Ltd.: HK$1.00 par ordinary shares
Hong Kong Land Holdings Ltd.: HK$.10 par ordinary shares
Hong Kong Telecommunications Ltd.: HK$.50 par ordinary shares
HSBC Holdings PLC: HK$.50 par ordinary shares
Hutchinson Whampoa Ltd.: HK$.25 par ordinary shares
Hysan Development Co., Ltd.: HK$5.00 par ordinary shares

Jardine Stragegic Holdings Ltd.: HK$.05 par ordinary shares

Sun Hung Kai Properties Ltd.: HK$.50 par ordinary shares
Swire Pacific Ltd.: A shares, par HK$.60

Wharf Holdings Ltd.: HK$1.00 par ordinary shares

Final Rule—Amendment to Regulation EE

The Board of Governors is amending 12 C.F.R. Part 231, its Regulation EE (Netting Eligibility for Financial Institutions), to include certain entities under the definition of "financial institution" in section 402 of the Federal Deposit Insurance Corporation Improvement Act of 1991 so that they will be covered by the Act's netting provisions. The Act authorizes the Board to expand the definition of "financial institution" to the extent consistent with the purposes of enhancing efficiency and reducing systemic risk in the financial markets.

Effective March 7, 1994, 12 C.F.R. Part 231 is amended as follows:

Part 231—Netting Eligibility for Financial Institutions

Section 231.1—Authority, purpose, and scope.
Section 231.2—Definitions.
Section 231.3—Qualification as a financial institution.

Authority: 12 U.S.C. 4402(1)(B) and 4402(9).

Section 231.1—Authority, purpose, and scope.

(a) *Authority*. This part (Regulation EE; 12 C.F.R. Part 231) is issued by the Board of Governors of the Federal Reserve System under the authority of sections 402(1)(B) and 402(9) of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4402(1)(B) and 4402(9)).
(b) *Purpose and scope*. The purpose of the Act and this part is to enhance efficiency and reduce systemic risk in the financial markets. This part expands the Act's definition of "financial institution" to allow more financial market participants to avail themselves of the netting provisions set forth in sections 401–407 of the Act (12 U.S.C. 4401-4407). This part does not affect the status of those financial institutions specifically defined in the Act.

Section 231.2—Definitions.

As used in this part, unless the context requires otherwise:
(a) *Act* means the Federal Deposit Insurance Corporation Improvement Act of 1991 (Pub. L. 102–242, 105 Stat. 2236), as amended.
(b) *Affiliate*, with respect to a person, means any other person that controls, is controlled by, or is under common control with the person.
(c) *Financial contract* means a qualified financial contract as defined in section 11(e)(8)(D) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)), as amended, except that a forward contract includes a contract with a maturity date two days or less after the date the contract is entered into (*i.e.*, a "spot" contract).
(d) *Financial market* means a market for a financial contract.
(e) *Gross mark-to-market positions* in one or more financial contracts means the sum of the absolute values of positions in those contracts, adjusted to reflect the market values of those positions in accordance with the methods used by the parties to each contract to value the contract.
(f) *Person* means any legal entity, foreign or domestic, including a corporation, unincorporated company, partnership, government unit or instrumentality, trust, natural person, or any other entity or organization.

Section 231.3—Qualification as a financial institution.

(a) A person qualifies as a financial institution for purposes of sections 401–407 of the Act if it represents that it will engage in financial contracts as a counterparty on both sides of one or more financial markets and either—
(1) Had one or more financial contracts of a total gross dollar value of at least $1 billion in notional principal amount outstanding on any day during the previous 15-month period with counterparties that are not its affiliates; or

(2) Had total gross mark-to-market positions of at least $100 million (aggregated across counterparties) in one or more financial contracts on any day during the previous 15- month period with counterparties that are not its affiliates.

(b) If a person qualifies as a financial institution under paragraph (a), that person will be considered a financial institution for the purposes of any contract entered into during the period it qualifies, even if the person subsequently fails to qualify.

(c) If a person qualifies as a financial institution under paragraph (a) on March 7, 1994, that person will be considered a financial institution for the purposes of any outstanding contract entered into prior to March 7, 1994.

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 4 of the Bank Holding Company Act

Mercantile Bancorporation Inc.
St. Louis, Missouri

Order Approving Application to Acquire a Savings Association

Mercantile Bancorporation Inc., St. Louis, Missouri ("Mercantile"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board's Regulation Y (12 C.F.R. 225.23), to acquire United Postal Bancorp, Inc., St. Louis, Missouri ("United Postal"), and thereby indirectly acquire United Postal's thrift subsidiary, United Postal Savings Association, St. Louis, Missouri, a federally chartered savings bank ("United Postal Savings"),[1] and the other wholly owned subsidiaries of United Postal Savings.[2]

Notice of this proposal, affording interested persons an opportunity to submit comments, has been published (58 *Federal Register* 61,691 (1993)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 4(c)(8) of the BHC Act.

The Board has determined that the operation of a savings association by a bank holding company is closely related to banking for purposes of section 4(c)(8) of the BHC Act.[3] In making this determination, the Board requires that savings associations acquired by bank holding companies conform their direct and indirect activities to those permissible for bank holding companies under section 4(c)(8) of the BHC Act and Regulation Y. Mercantile has committed to conform all activities of United Postal Savings to these requirements.[4]

Mercantile, with consolidated assets of approximately $10.2 billion, controls subsidiary banks in Missouri, Illinois, and Kansas.[5] Mercantile is the second largest commercial bank in Missouri, controlling deposits of $7.1 billion, representing approximately 13.1 percent of total deposits in commercial banking organizations in the state. United Postal Savings is the eighth largest thrift organization in the state, controlling deposits of $1.1 billion, representing approximately 8.5 percent of total deposits of thrift institutions in the state. Upon consummation of this transaction, Mercantile would remain the second largest depository institution[6] in Missouri, controlling deposits of approximately $8.2 billion, representing approximately 12.2 percent of the deposits in commercial banks in the state.

Competitive Considerations

Under section 4(c)(8) of the BHC Act, the Board must consider the competitive aspects of each proposal. In this regard, Mercantile and United Postal Savings compete directly in the Missouri banking markets of Scotland County, Chariton County, and St. Louis. Upon consummation of the proposal, Mercantile

1. Mercantile will acquire United Postal by merger with Mercantile's wholly owned subsidiary, Ameribanc, Inc., St. Joseph, Missouri, and operate United Postal Savings as a separate subsidiary.

2. United Postal Savings operates three wholly owned subsidiaries: Moneymatic Corporation (a remote service unit providing banking services to customers of United Postal Savings at two supermarket chains in the St. Louis area); United Postal Financial Services, Inc. ("United Postal Financial") (engaged in the sale as agent of annuities and credit-related insurance products); and Metropolitan Savings Service Corporation ("Metropolitan Savings") (engaged as a limited partner in mortgage banking activities through offices located at a real estate brokerage company). Upon consummation of the proposal United Postal Savings would continue to operate Moneymatic Corporation while United Postal Financial and Metropolitan Savings would be acquired as wholly owned subsidiaries of Mercantile's lead bank, Mercantile Bank of St. Louis, N.A., St. Louis, Missouri.

3. *See* 12 C.F.R. 225.25(b)(9).

4. United Postal Savings engages in insurance agency activities and real estate activities that are not permissible for bank holding companies under the BHC Act. Mercantile has committed to terminate all impermissible insurance and real estate activities within two years of consummation of the proposal. During this two-year period, Mercantile also has committed to limit United Postal Savings's insurance activities to renewals of existing policies and not to begin or enter into any new real estate activities or projects.

5. State asset deposit and market data are as of June 30, 1992.

6. In this context, depository institutions include commercial banks, savings banks, and savings associations.

would remain the largest depository institution in the Scotland County[7] and Chariton County[8] banking markets.[9] Both of these markets would be considered highly concentrated as measured by the Herfindahl–Hirschman Index ("HHI")[10] and Mercantile would control more than 35 percent of the total deposits in depository institutions in each market ("market deposits").[11] In order to mitigate any potential adverse competitive effect that could result from consummation of this proposal, Mercantile has committed to divest[12] all of United Postal Savings's offices[13] in the Chariton County and Scotland County banking markets.

7. The Scotland County banking market is approximated by Scotland County, Missouri.

8. The Chariton County banking market is approximated by Chariton County, Missouri.

9. Market share data before consummation are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. *See WM Bancorp*, 76 *Federal Reserve Bulletin* 788 (1990); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984). Because the deposits of United Postal Savings would be controlled by a commercial banking organization upon consummation of this proposal, these deposits are included at 100 percent in the calculation of Mercantile's post-consummation share of state deposits. *See Norwest Corporation*, 78 *Federal Reserve Bulletin* 452 (1992); *First Banks, Inc.*, 76 *Federal Reserve Bulletin* 669, 670 n.9 (1990).

10. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (June 29, 1984), a market in which the post-merger HHI is over 1800 is considered to be highly concentrated. In such highly concentrated markets, the Justice Department is likely to challenge a merger that increases the HHI by more than 50 points. The Justice Department has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. The Justice Department has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effect of limited-purpose lenders and other non-depository financial entities.

11. In the Scotland County banking market, the HHI would increase 107 points to 6966 and Mercantile would control approximately 82 percent of market deposits upon consummation. In the Chariton County banking market, consummation of the proposal would increase the HHI 81 points to 2352, and Mercantile would control approximately 37 percent of market deposits.

12. Mercantile has committed to submit to the Board, prior to consummation of its acquisition of United Postal, a binding contract acceptable to the Board for the sale of these offices. Mercantile also has committed that if it does not execute such a contract before consummation, it will transfer these offices to an independent trustee upon consummation, who will be authorized to supervise the operations of these offices and instructed to promptly find a suitable buyer. Mercantile also has committed to submit to the Board, prior to consummation of the acquisition, an executed trust agreement acceptable to the Board stating the terms of this divestiture. The Board's action on the application is expressly conditioned upon compliance with these commitments.

13. United Postal Savings maintains two agency offices in Chariton County and one agency office in Scotland County for the purpose of receiving deposits. Agency offices are limited-purpose offices specifically authorized for savings associations under Missouri law. *See* Mo. Code Regs. Title 4, § 260–4.030. These offices account for approximately $2.6 million in total deposits in these banking markets that will be divested as part of Mercantile's commitments.

In the St. Louis banking market,[14] Mercantile would remain the second largest depository institution, controlling approximately 18 percent of market deposits, and the HHI would increase 70 points to 1110. Eighty-six competitors would remain in the market.

Based on all the facts of record, including the proposed divestitures, the changes in market concentration as measured by the HHI, and the number of remaining competitors, the Board concludes that consummation of this proposal would not have a significantly adverse effect on competition or concentration of banking resources in the Scotland County, Chariton County and St. Louis banking markets, or any other relevant banking markets.

Other Considerations

The financial and managerial resources of Mercantile and United Postal and their subsidiaries are consistent with approval. In addition, the record does not indicate that consummation of this proposal is likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices that are not likely to be outweighed by the public benefits of this proposal. Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval of the application.

Based on the foregoing and all the facts of record, the Board has determined that the application should be, and hereby is, approved. The Board's approval is conditioned upon Mercantile obtaining all required regulatory approvals. The Board's approval of this proposal also is specifically conditioned on compliance by Mercantile with the commitments made in connection with its application, as supplemented, including all the terms of its divestiture commitments.

The Board's determination also is subject to all the conditions set forth in Regulation Y, including those in sections 225.4(d) and 225.23(b)(3), and to the Board's authority to require modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, and to prevent evasion of, the pro-

14. The St. Louis banking market is approximated by the City of St. Louis; St. Louis, Jefferson, and St. Charles Counties, Missouri; St. Clair County, Illinois, excluding Lenzburg and Marissa townships; portions of Franklin County, Missouri (Boles and Calvey townships); Madison County, Illinois (Godfrey, Foster, Alton, Wood River, Fort Russell, Chouteau, Edwardsville, Venice, Granite City, Nameoki, Collinsville, Jarvis, Pin Oak, and Hamel townships); and Monroe County, Illinois (Columbia, Moredock, New Harmony, Waterloo, Harrisonville, and Bluff townships).

visions and purposes of the BHC Act and the Board's regulations and orders issued thereunder. The commitments and conditions relied on by the Board in reaching this decision are deemed to be conditions imposed in writing by the Board in connection with its findings and decision, and as such, may be enforced in proceedings under applicable law.

This transaction shall not be consummated later than three months after the effective date of this order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of St. Louis, acting pursuant to delegated authority.

By order of the Board of Governors, effective January 18, 1994.

Voting for this action: Chairman Greenspan, Vice Chariman Mullins, and Governors Angell, Kelley, Lindsey, and Phillips. Absent and not voting: Governor LaWare.

JENNIFER J. JOHNSON
Associate Secretary of the Board

Saban, S.A., Marina Bay, Gibraltar

RNYC Holdings Limited, Marina Bay, Gibraltar

Republic New York Corporation New York, New York

Order Approving an Application to Engage De Novo in Various Securities-Related Activities, Including Underwriting and Dealing, Private Placement, and Interest Rate and Currency Swap Activities

Saban, S.A., Marina Bay, Gibraltar ("Saban"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), and its subsidiaries, RNYC Holdings Limited, Marina Bay, Gibraltar ("RNYC Holdings"), and Republic New York Corporation, New York, New York ("RNYC") (collectively, "Applicant"), have applied under section 4(c)(8) of the BHC Act, and section 225.23 of the Board's Regulation Y (12 C.F.R. 225.23), to engage *de novo*, domestically and internationally, through Applicant's wholly owned subsidiary, Republic New York Securities Corporation, New York, New York ("Company"), in the following securities-related activities:

(1) Underwriting and dealing in obligations of the United States, general obligations of states and their political subdivisions, and other obligations that state member banks of the Federal Reserve System may be authorized to underwrite and deal in under 12 U.S.C. §§ 4 and 335, including banker's acceptances and certificates of deposit ("bank-eligible securities"), as permitted by section 225.25(b)(16) of Regulation Y (12 C.F.R. 225.25(b)(16));

(2) Underwriting and dealing in, to a limited extent:

(i) All other types of debt securities, including without limitation, municipal revenue bonds, mortgage-related securities, consumer-receivable-related securities, commercial paper, sovereign debt securities, corporate debt securities, debt securities convertible into equity securities, and securities issued by a trust or other vehicle secured by or representing interests in debt obligations; and

(ii) Equity securities, including without limitation, common stock, preferred stock, American Depositary Receipts, options, limited partnership units, warrants, and securities issued by closed-end investment companies, but no securities issued by open-end investment companies ("bank-ineligible securities");

(3) Acting as agent for issuers in the private placement of all types of debt and equity securities, including providing related advisory services;

(4) Acting as broker or agent with respect to interest rate or currency swaps and certain risk-management products, such as caps, floors and collars, as well as options on swaps, caps, floors and collars ("swap derivative products"); and

(5) Acting as an advisor to institutional customers regarding financial strategies involving interest rate and currency swaps and swap derivative products.[1]

1. Company also proposes to broker and arrange interest rate and currency swap transactions for affiliates. The Board previously has determined that bank holding companies and their nonbank subsidiaries may provide such swap-related services for affiliates pursuant to section 4(c)(1)(C) of the BHC Act (12 U.S.C. § 1843(c)(1)(C)). *See C&S/Sovran Corporation*, 76 *Federal Reserve Bulletin* 857, 858 n.12 (1990); *The Fuji Bank, Limited*, 76 *Federal Reserve Bulletin* 768, 768 n.3 (1990). In addition, Company proposes to provide securities and commodities execution, clearing, and custodial services for affiliates, which also would be permissible under section 4(c)(1)(C) of the BHC Act.

Company also proposes to borrow securities from customer custodial accounts at trust departments of bank affiliates ("bonds borrowed transactions"). The Board has previously permitted bank holding company subsidiaries to engage, as part of their permissible securities brokerage and securities credit activities, in lending and borrowing securities that an affiliated bank holds on behalf of customers. *See The Chase Manhattan Corporation*, 69 *Federal Reserve Bulletin* 725 (1983); *Canadian Imperial Bank of Commerce*, 74 *Federal Reserve Bulletin* 571 (1988); *see also Saban, S.A.*, 78 *Federal Reserve Bulletin* 955 (1992). Company would conduct all bonds borrowed transactions in accordance with the Board's policy statement on securities lending activities (1 F.R.R.S. 3-1579.5), and Company would not engage in bonds borrowed transactions with Applicant or its nonbank subsidiaries. Moreover, Company would not borrow securities from any customer custodial account over which an affiliate exercises trustee powers. Applicant has committed that no bank or thrift affiliate of Company will guarantee or indemnify its customers against losses arising from Company's nonperformance in connection with any bonds borrowed transactions, including Company's failure to return

Notice of the application, affording interested persons an opportunity to submit comments on the proposal, has been published (58 *Federal Register* 39,028 (1993)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

Saban is organized under the laws of Panama, and maintains its principal place of business in Gibraltar. RNYC Holdings is a wholly owned intermediate holding company subsidiary of Saban that is organized under the laws of Gibraltar. RNYC, with $38 billion in total consolidated assets, is the seventh largest commercial banking organization in New York.[2] RNYC operates subsidiary banks in New York and California,[3] and engages directly and through subsidiaries in a broad range of permissible nonbanking activities.

Company is, and will continue to be, a broker-dealer registered with the Securities and Exchange Commission ("SEC"), and a member of the National Association of Securities Dealers, Inc. ("NASD"). Accordingly, Company is subject to the recordkeeping, reporting, fiduciary standards, and other requirements of the Securities Exchange Act of 1934 (15 U.S.C. § 78a *et seq.*), the SEC, and the NASD. Company is currently engaged in a variety of securities-related activities.[4]

Underwriting and Dealing in Bank-Ineligible Securities

The Board has determined that, subject to the prudential framework of limitations established in previous decisions to address the potential for conflicts of interests, unsound banking practices, or other adverse effects, the proposed underwriting and dealing activities involving bank-ineligible securities are so closely related to banking as to be proper incidents thereto within the meaning of section 4(c)(8) of the BHC Act.[5] The Board also has determined that the conduct of these securities underwriting and dealing activities is consistent with section 20 of the Glass–Steagall Act (12 U.S.C. § 377), provided that the company engaged in the underwriting and dealing activities derives no more than 10 percent of its total gross revenue from underwriting and dealing in bank-ineligible securities over any two-year period.[6] Applicant has committed that Company will conduct its underwriting and dealing activities with respect to bank-ineligible securities subject to the 10 percent revenue test, and the pruden-

borrowed securities. Company also would engage in repurchase and reverse repurchase transactions involving United States Treasury securities with indirect foreign subsidiaries of Company's bank affiliates. The Board has previously determined that such repurchase and reverse repurchase transactions, subject to certain conditions, are consistent with the conditions and limitations that the Board has imposed on the conduct of securities underwriting and dealing activities by bank holding companies. *See* Letter dated July 26, 1989, from Jennifer J. Johnson, Associate Secretary of the Board, to James J. Baechle, General Counsel of Bankers Trust New York Corporation; Letter dated June 19, 1989, from William W. Wiles, Secretary of the Board, to Rachel F. Robbins, General Counsel of J.P. Morgan Securities, Inc. As required in those previous approvals, Applicant has committed that Company will not engage in such repurchase and reverse repurchase transactions to fund Company or Company's positions. Moreover, Applicant has committed that, when engaging in the proposed repurchase and reverse repurchase transactions, Company will provide its bank affiliates with written guarantees indemnifying the bank affiliates against any losses that might arise from Company's nonperformance.

2. Asset and ranking data are as of September 30, 1993.

3. Those subsidiary banks are Republic National Bank of New York, a national banking association; Republic Bank for Savings (formerly The Manhattan Savings Bank), a state-chartered savings bank the deposits of which are insured by the Federal Deposit Insurance Corporation; and Republic Bank California, N.A. (formerly SafraBank (California)), a national banking association.

4. These activities include:

(1) Providing securities brokerage and investment advisory services to customers, both separately and on a combined basis;

(2) Purchasing and selling all types of securities on the order of customers as a "riskless principal"; and

(3) Engaging in securities credit activities pursuant to the Board's Regulation T (12 C.F.R. 220), including acting as a "conduit" or "intermediary" in securities borrowing and lending. *See Saban, S.A., et al.*, 78 *Federal Reserve Bulletin* 955 (1992).

Prior to consummation of the proposal, Applicant intends to transfer to Company all the existing activities and business of Republic Clearing Corporation, New York, New York, a futures commission merchant ("FCM") registered with the Commodity Futures Trading Commission ("CFTC"), and thereby offer FCM execution, clearance, and advisory services through Company. Company intends to register as an FCM with the CFTC, and become a member of the National Futures Association ("NFA"). Thereafter, Company would be subject to the recordkeeping, reporting, fiduciary standards, and other requirements of the Commodity Exchange Act (7 U.S.C. § 1 *et seq.*), the CFTC, and the NFA. Applicant has committed that Company will not engage in FCM clearing-only activities (*i.e.*, clearing without executing trades) without prior notice to the Federal Reserve System. Conduct of these FCM activities by Company is subject to all the terms and conditions imposed on the conduct of these activities in the Board's orders permitting Applicant to conduct these activities. *See Saban, S.A.*, 73 *Federal Reserve Bulletin* 224 (1987); *Republic New York Corporation*, 63 *Federal Reserve Bulletin* 951 (1977).

5. *See Canadian Imperial Bank of Commerce*, 76 *Federal Reserve Bulletin* 158 (1990); *J.P. Morgan & Co. Incorporated, et al.*, 75 *Federal Reserve Bulletin* 192 (1989), *aff'd sub nom. Securities Industries Ass'n v. Board of Governors of the Federal Reserve System*, 900 F.2d 360 (D.C. Cir. 1990); *Citicorp, et al.*, 73 *Federal Reserve Bulletin* 473 (1987), *aff'd sub nom. Securities Industry Ass'n v. Board of Governors of the Federal Reserve System*, 839 F.2d 47 (2d Cir.), *cert. denied*, 486 U.S. 1059 (1988) (collectively, "Section 20 Orders"). Applicant has committed to conduct the proposed underwriting and dealing activities using the same methods and procedures, and subject to the same prudential limitations established by the Board in the Section 20 Orders.

6. *See id.* Compliance with the 10 percent revenue limitation shall be calculated in accordance with the method stated in the Section 20 Orders, as modified by the Order Approving Modifications to the Section 20 Orders, 75 *Federal Reserve Bulletin* 751 (1989), the Order Approving Modifications to the Section 20 Orders, 79 *Federal Reserve Bulletin* 226 (1993), and the Supplement to Order Approving Modifications to Section 20 Orders, 79 *Federal Reserve Bulletin* 360 (1993) (collectively, "Modification Orders"). In this regard, Applicant has elected to use the Board's alternative indexed revenue test to measure compliance with the 10 percent limitation on bank-ineligible securities activities.

tial limitations established by the Board in previous orders.[7]

Private Placement Activities

Private placement involves the placement of new issues of securities with a limited number of sophisticated purchasers in a nonpublic offering. A financial intermediary in a private placement transaction acts solely as an agent of the issuer in soliciting purchasers, and does not purchase the securities and attempt to resell them. Securities that are privately placed are not subject to the registration requirements of the Securities Act of 1933, and are offered only to financially sophisticated institutions and individuals and not to the public. Applicant has committed that Company will not privately place registered securities, and will only place securities with customers who qualify as accredited investors. The Board previously has determined by order that, subject to prudential limitations that address the potential for conflicts of interests, unsound banking practices, and other adverse effects, the proposed private placement activities are so closely related to banking as to be a proper incident thereto within the meaning of section 4(c)(8) of the BHC Act.[8] The Board also previously has determined that acting as agent in the private placement of securities does not constitute underwriting and dealing in securities for purposes of section 20 of the Glass–Steagall Act (12 U.S.C. § 377), and that revenue derived from such activities is not subject to the 10 percent revenue limitation on bank-ineligible securities underwriting and dealing.[9] Applicant has committed that Company will conduct its private placement activities using the same methods and procedures, and subject to the same prudential limitations established by the Board in *Bankers Trust* and *J.P. Morgan*, including the comprehensive framework of restrictions designed to avoid potential conflicts of interests, unsound banking practices, or other adverse effects imposed by the Board in connection with underwriting and dealing in securities.[10]

Swap and Swap Advisory Activities

Applicant proposes to act as a broker or agent with respect to transactions in interest rate and currency swaps, caps, floors, collars, and swap derivative products, and to act as an advisor to institutional customers regarding financial strategies involving such financial instruments. The Board has previously determined, by order, that these proposed activities are closely related to banking and permissible for bank holding companies within the meaning of section 4(c)(8) of the BHC

7. As an incident to the proposed underwriting and dealing activities, Company also proposes to engage in certain options, futures, and options on futures transactions in bank-eligible and bank-ineligible securities for hedging purposes in accordance with the Board's policy statement on derivative transactions, 12 C.F.R. 225.142. The Board has previously determined that section 20 subsidiaries may provide services that are necessary incidents to approved underwriting and dealing activities, provided that any activities conducted as a necessary incident to bank-ineligible securities activities must be treated as part of the bank-ineligible securities activities unless Company has received specific approval under section 4(c)(8) of the BHC Act to conduct the activities independently. *See J.P. Morgan & Co. Incorporated, et al.*, 75 *Federal Reserve Bulletin* 192, 213 n.59 (1989). Until such approval is obtained, any revenues from the incidental activities must be counted as ineligible revenues subject to the 10 percent revenue limitations set forth in the Section 20 Orders, as modified by the Modification Orders.

In addition, Company proposes to act as principal in the resale of bank-ineligible securities pursuant to Rule 144A of the Securities and Exchange Commission (17 C.F.R. 230.144A). All income derived from such Rule 144A transactions shall be treated as ineligible revenues for purposes of the 10 percent limitation. *See Bankers Trust New York Corporation*, 75 *Federal Reserve Bulletin* 829, 831 n.17 (1989).

Company also proposes to act as a dealer-manager in connection with cash tender and exchange offer transactions. *See Chemical Banking Corporation*, 80 *Federal Reserve Bulletin* 49, 50 n.5 (1994). Dealer-managers generally act as agent for tender or exchange offerors in arranging or facilitating mergers, acquisitions, and other corporate transactions. All-cash tender offers do not, of themselves, involve the issuance, public sale, or distribution of securities. Accordingly, all revenues derived from Company acting as a dealer-manager in connection with such tender offers may be treated by Company as eligible revenues for purposes of determining compliance with the Board's 10 percent limitation on bank-ineligible securities activities.

However, exchange offers may entail the public sale or distribution of securities where the consideration to be paid for the securities to be acquired comprises, either in whole or in part, securities of the purchaser. *See Piper v. Chris-Craft Industries, Inc.*, 430 U.S. 1, 22 (1976); Federal Reserve System (In Re Bankers Trust and Louisiana Land Company), SEC No-Action Letter (May 18, 1984); 5 Loss & Seligman, *Securities Regulation* 2129 (1990). Accordingly, dealer-manager revenues derived from Company engaging in a securities underwriting, or revenues tied to a distribution of securities, must be treated as ineligible revenue for purposes of determining compliance with the Board's 10 percent limitation on bank-ineligible securities activities. Applicant has committed that Company will abide by all the section 20 firewalls when acting as a dealer-manager in connection with exchange offers (including partial cash tender/partial exchange offers), or when engaging in dealer-manager activities performed in connection with any underwriting or dealing activities.

8. *See J.P. Morgan & Company Incorporated*, 76 *Federal Reserve Bulletin* 26 (1990) ("*J.P. Morgan*"); *Bankers Trust New York Corporation*, 75 *Federal Reserve Bulletin* 829 (1989) ("*Bankers Trust*").

9. *Id.*

10. The prudential limitations detailed more fully in *Bankers Trust* and *J.P. Morgan* require that: Company will not place securities of investment companies which are sponsored or advised by Applicant or its subsidiaries; Company will make no general solicitation or general advertising for securities it places and such securities will not be purchased by the general public; Company will not purchase or repurchase for its own account the securities being placed or inventory unsold portions of such securities; Company will maintain specific records of its private placement transactions, identifying specifically those where credit is provided by an affiliate, so that examiners will be able to readily identify and trace all components of the transactions; Company will not place with any bank or thrift subsidiary of Applicant ineligible securities that are being placed by Company; and Company will not act as a private placement agent for any portion of an issue while concurrently acting as a dealer with respect to another portion of the same issue.

Act.[11] Applicant will not act as a principal or originator with respect to these instruments, but will act solely as agent or broker. Applicant proposes to engage in these activities in accordance with all the provisions and conditions set forth in the Board's prior orders relating to the proposed swap and swap advisory activities.[12]

Financial Factors, Managerial Resources, and Other Considerations

The Board has reviewed the capitalization of Applicant and Company in accordance with the standards set forth in the Section 20 Orders, and finds the capitalization of each to be consistent with approval. With respect to the capitalization of Company, this determination is based upon all the facts of record, including Applicant's projections of the volume of Company's proposed underwriting and dealing activities in bank-ineligible securities.

The Federal Reserve Bank of New York has reviewed the operational and managerial infrastructure of Company, including its computer, audit, and accounting systems, and internal risk management procedures and controls. The Reserve Bank has determined that Company has established an adequate operational and managerial infrastructure for underwriting and dealing in all types of debt and equity securities to ensure compliance with the requirements of the Section 20 Orders. On the basis of the Reserve Bank's review and all the facts of record, the Board has determined that Company has in place the managerial and operational infrastructure and other policies and procedures necessary to comply with the requirements of the Section 20 Orders and this order. Accordingly, the Board concludes that financial and managerial considerations are consistent with approval of this application.

In order to approve this proposal, the Board also must determine that the performance of the proposed activities by Company can reasonably be expected to produce public benefits that would outweigh possible adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act. Under the framework and conditions established in this and prior decisions, consummation of this proposal is not likely to result in any significant adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Moreover, the Board expects that the *de novo* entry of Applicant into the market for the proposed services in the United States would provide added convenience to Applicant's customers, and would increase the level of competition among existing providers of these services. Accordingly, the Board has determined that the performance of the proposed activities by Applicant could reasonably be expected to produce public benefits that would outweigh possible adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.

On the basis of the foregoing and all the facts of record, including the commitments furnished by Applicant, the Board has determined that the application should be, and hereby is, approved, subject to all the terms and conditions of this order and the orders cited herein, including the Section 20 Orders, as modified by the Modification Orders. The Board's approval of this proposal extends only to activities conducted within the limitations of those orders and this order, including the Board's reservation of authority to establish additional limitations to ensure that Company's activities are consistent with safety and soundness, conflict of interest, and other relevant considerations under the BHC Act. Underwriting and dealing in any manner other than as approved in the Section 20 Orders is not within the scope of the Board's approval and is not authorized for Company.

The Board's determination is also subject to all the terms and conditions set forth in Regulation Y, including those in sections 225.4(d) and 225.23(b) of Regulation Y, and to the Board's authority to require modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and orders issued there-

11. *The Sanwa Bank, Limited*, 77 *Federal Reserve Bulletin* 64 (1991); *C&S/Sovran Corporation*, 76 *Federal Reserve Bulletin* 857 (1990); *The Fuji Bank, Limited*, 76 *Federal Reserve Bulletin* 768 (1990); *The Sumitomo Bank, Limited*, 75 *Federal Reserve Bulletin* 582 (1989).

12. In order to minimize any possible conflicts of interest between Company's role as agent or broker in swaps and related transactions and its role as advisor to potential counterparties, Applicant has committed that Company will disclose to each customer the fact that Company may have an interest as a counterparty agent or broker in the course of action ultimately taken by the customer. Also, in any case in which an affiliate of Company has an interest in a specific transaction as a principal or intermediary, Company will advise its customer of that fact before recommending participation in that transaction. In any transaction in which Company arranges a swaps transaction between an affiliate and a third party, Company will inform the third party that it is acting on behalf of the affiliate. In addition, Company's advisory services will be offered only to sophisticated customers who would be unlikely to place undue reliance on investment advice received and would be better able to detect investment advice motivated by self-interest. Moreover, Company will not make available to Applicant or any of its subsidiaries confidential information received from Company's clients except with the consent of the client, and disclosure will always be made to each potential client of Company that Company is an affiliate of Applicant. Advice rendered by Company on an explicit fee basis will be rendered without regard to correspondent balances maintained by the customer of Company at Applicant or any depository institution subsidiary of Applicant. Finally, Company's financial advisory activities shall not encompass the performance of routine tasks or operations for a customer on a daily or continuous basis.

under. The Board's decision is specifically conditioned on compliance with all the commitments made in connection with this application, including the commitments discussed in this order and the conditions set forth in the above noted Board regulations and orders. For purposes of this action, these commitments and conditions shall be deemed to be conditions imposed in writing by the Board in connection with its findings and decisions, and, as such, may be enforced in proceedings under applicable law.

This transaction shall not be consummated later than three months after the effective date of this order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of New York, acting pursuant to delegated authority.

By order of the Board of Governors, effective January 10, 1994.

Voting for this action: Chairman Greenspan, Vice Chairman Mullins, and Governors Kelley, LaWare, Lindsey, and Phillips. Absent and not voting: Governor Angell.

JENNIFER J. JOHNSON
Associate Secretary of the Board

Orders Issued Under Sections 3 and 4 of the Bank Holding Company Act

Society Corporation
Cleveland, Ohio

Order Approving the Merger of Bank Holding Companies and Acquisition of Nonbanking Companies

Society Corporation, Cleveland, Ohio ("Society"), a bank holding company within the meaning of the Bank Holding Company Act (the "BHC Act"), has applied under section 3 of the BHC Act (12 U.S.C. § 1842) to merge with KeyCorp, Albany, New York, and thereby indirectly acquire the subsidiary banks listed in the Appendix. Society also has applied under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) to acquire the nonbanking subsidiaries of KeyCorp listed in the Appendix.[1]

Notice of the applications, affording interested persons an opportunity to submit comments, has been published (58 *Federal Register* 61,691 (1993)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in sections 3 and 4 of the BHC Act.

Society, with approximately $25.8 billion in consolidated assets, controls three banking subsidiaries in Ohio, Indiana, and Michigan, with approximately $17.8 billion in total deposits.[2] Society also engages in a number of nonbanking activities that the Board has determined to be permissible for bank holding companies. KeyCorp, with consolidated assets of approximately $32.4 billion, controls eleven banking subsidiaries in New York, Washington, Maine, Oregon, Idaho, Utah, Colorado, Wyoming and Alaska, with approximately $26.6 billion in total deposits.[3] Upon consummation of this proposal, Society would become the tenth largest commercial banking organization in the United States, with approximately $58.2 billion in consolidated assets and $44.4 billion in total deposits.

The bank subsidiaries of Society and KeyCorp do not compete directly in any relevant banking market. Based on all the facts of record, the Board concludes that Society's acquisition of KeyCorp and its subsidiary banks would not result in any significantly adverse effects on competition in any relevant banking market.

Douglas Amendment Analysis

Section 3(d) of the BHC Act, the Douglas Amendment, prohibits the Board from approving an application by a bank holding company to acquire control of any bank located outside its home state, unless such acquisition is "specifically authorized by the statute laws of the State in which such bank is located, by language to that effect and not merely by implication."[4] For purposes of the Douglas Amendment, the home state of Society is Ohio.

The Board previously has determined that the interstate statutes of Colorado and Utah permit a bank holding company located in Ohio to acquire banking organizations in those states.[5] Maine, Alaska, Idaho,

1. Society will merge with KeyCorp, with Society as the surviving institution, which will be renamed Key Bancs Inc., Cleveland, Ohio. In connection with this proposal, Society and KeyCorp have requested approval to acquire cross-options to purchase approximately 19.9 percent of the outstanding shares of each respective institution upon the occurrence of certain triggering events. These options will become moot upon consummation of this proposal.

2. Asset and deposit data are as of September 30, 1993.

3. KeyCorp also controls a savings bank in Washington.

4. 12 U.S.C. § 1842(d). A bank holding company's home state is that state in which the operations of the bank holding company's banking subsidiaries were principally conducted on July 1, 1966 or the date on which the company became a bank holding company, whichever is later.

5. *See Banc One Corporation*, 79 *Federal Reserve Bulletin* 872 (1993) (approving an acquisition by Banc One Corporation, located in Ohio, of The First National Bank of Montrose, Montrose, Colorado), and *Banc One Corporation*, 79 *Federal Reserve Bulletin* 524 (1993) (approving an acquisition by Banc One Corporation of Valley Bank & Trust Company, N.A., Salt Lake City, and Valley Central Bank, Richfield, both in Utah). Colorado law also requires that the proposed transaction would not result in the acquiror controlling more than 25 percent of the aggregate deposits in all federally insured financial

Oregon, and Wyoming have each enacted interstate banking statutes permitting out-of-state bank holding companies to acquire banks in those states on a national basis.[6]

New York and Washington have enacted banking statutes that permit out-of-state bank holding companies to acquire banks in these states provided that the home state of the acquiring bank holding company permits the acquisition of banks in that state by New York and Washington bank holding companies, respectively, on a reciprocal basis.[7] The Ohio interstate banking statute permits out-of-state bank holding company acquisitions if Ohio banking organizations are permitted to acquire banking organizations in other jurisdictions on terms that are, on a whole, substantially no more restrictive than the conditions established under the Ohio statute.[8] The New York and Washington state banking supervisors have informally indicated that Ohio statutes meet the reciprocity requirements of these states.

In considering this proposal, the Board has analyzed the interstate banking statutes of all the states involved and has concluded that Society is authorized under these statutes to acquire the banking subsidiaries of KeyCorp in these states.[9] The appropriate banking supervisors in each of these states have agreed with this conclusion.[10] In light of the foregoing, the Board has determined that its approval of this proposal is not prohibited by the Douglas Amendment. Approval of this proposal is conditioned upon Society receiving all required state regulatory approvals.

Convenience and Needs Considerations

In acting upon an application to acquire a depository institution under the BHC Act, the Board must consider the convenience and needs of the communities to be served, and take into account the records of the relevant depository institutions under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA").[11] The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institution," and to take that record into account in its evaluation of applications.[12]

The Board has carefully reviewed the CRA performance records of Society, KeyCorp, and their subsidiary banks, as well as all other relevant facts of record, in light of the CRA, the Board's regulations, and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").[13]

institutions located in Colorado. Colo. Rev. Stat. § 1-6.4-103 (Supp. 1993). Upon consummation of this proposal, Society would control less than 1 percent of the aggregate deposits in all federally insured financial institutions in Colorado.

6. *See* Me. Rev. Stat. Ann. tit. 9-B § 1013 (1980 & Supp. 1993). Alaska, Oregon, and Wyoming permit the acquisition of a bank in that state that has been continuously operated for at least three years, and Idaho permits the acquisition of a bank in that state that has been continuously operated for at least four years. *See* Alaska Stat. § 06.05.235 (1988); Or. Rev. Stat. § 715.065 (1991); Wyo. Stat. § 13-9-303 (1989); and Idaho Code §§ 26-2601-2612 (1990). All the banks to be acquired in the proposal meet these conditions.

7. *See* N.Y. Banking Law § 142-b (McKinney 1990), permitting acquisitions in states with reciprocal laws that do not impose conditions or restrictions materially limiting the ability of a New York banking organization to acquire a banking organization in a state that are not applicable to an in-state bank holding company; and Wash. Rev. Code Ann. § 30.04.232 (West 1986), permitting acquisitions in states with reciprocal laws that permit Washington banking organizations to operate on terms and conditions no less favorable than those applicable to in-state banking organizations. Washington law also requires that the bank to be acquired to have been continuously operated for a minimum of three years. The institution to be acquired in the proposal meets this requirement.

8. *See* Ohio Rev. Code Ann. § 1101.05(b) (Anderson 1988).

9. The Board also has considered this transaction as if KeyCorp, with a home state of New York, were acquiring Society's subsidiary banks located in Ohio, Indiana, and Michigan. In each, the relevant state statutes in Ohio, Indiana, and Michigan appear to permit the acquisition of a bank in that state by a bank holding company located in New York. Ohio Rev. Code Ann. § 1101.05(b) (Anderson 1988); Ind. Code Ann. §§ 28-2-16-15 & 16 (Burns 1993 & Supp. 1993); Mich. Comp. Laws 487.430b (West 1987).

10. To date, the state banking supervisors in Washington, Colorado, Oregon, and Maine have approved this proposal. The state banking supervisors in New York, Utah, Alaska, Idaho, and Wyoming have preliminarily indicated that acquisitions of banking institutions in each respective state by an Ohio bank holding company would be permissible under applicable state law, but have not yet considered the specific merits of the Society proposal.

11. The Board received comments from the Fair Housing Center and the Greater Toledo Housing Coalition, both of Toledo, Ohio, regarding data filed by Key Bank of New York and its mortgage subsidiary under the Home Mortgage Disclosure Act ("HMDA") for the Albany/Schenectady/Troy Metropolitan Statistical Area ("MSA"). These comments were withdrawn on January 25, 1994. Society was also requested by another commenter to ensure that information on all banking products and services identified in any Society or KeyCorp agreement with a community organization be made available throughout the resulting organization and that such products and services be available as appropriate in each state. Society has responded that a joint community development task force has been formed to determine the best products to meet the credit needs of the communities and that the task force will consider any specialized circumstances related to existing programs. When plans have been finalized, CRA-related and other products offered by the combined organizations will be made available throughout the branch system within each state bank.

12. *See* 12 U.S.C. § 2903.

13. 54 *Federal Register* 13,742 (1989).

Record of Performance Under the CRA

A. CRA Performance Examinations

The Agency CRA Statement provides that a CRA examination is an important and often controlling factor in the consideration of an institution's CRA record and that these reports will be given great weight in the applications process.[14] In this case, the Board notes that Key Bank of New York ("Key Bank"), the largest KeyCorp bank subsidiary, received an "outstanding" rating from its primary federal regulator, the Federal Deposit Insurance Corporation ("FDIC"), at its most recent examination for CRA performance as of May 3, 1993 ("1993 Examination"). This rating reflected an improvement from its previous rating of "satisfactory." In addition, six other KeyCorp subsidiary banks have received "outstanding", and the remaining three have received "satisfactory" ratings from their primary regulators in their most recent CRA examinations.[15] All three of Society's subsidiary banks have received "outstanding" ratings in their most recent CRA performance examinations.[16]

B. HMDA Data and Lending Practices

The Board has carefully reviewed the 1991 and 1992 data reported by Key Bank and its mortgage subsidiary under the HMDA. The HMDA data for 1991 reviewed in the 1993 Examination showed that Key Bank made at least one housing-related loan in 28 of the 44 low- and moderate-income census tracts in the Albany-Schenectady-Troy MSA, for a penetration rate of 64 percent. Examiners conducted an analysis of the census tracts in which no loans were made and concluded that a majority of these census tracts were located in the central business district of Albany and surrounding vicinity that is largely made up of commercial businesses and contains few residential housing units.

The Board notes that the 1993 Examination found no evidence of illegal discrimination or of illegal credit practices and that the bank was in substantial compliance with the provisions of the antidiscrimination laws and regulations. Examiners found that Key Bank encourages credit applications from all segments of its delineated community. The 1993 Examination also concluded that the bank serves all areas within its delineated community, including low- and moderate-income areas.[17]

In addition, Key Bank has taken steps to increase its lending activities in the Albany area. For example, Key Bank is introducing a new program called "Key to the City", which is designed to help inner city residents who rent property in low-income, integrated neighborhoods to buy homes in Albany, Syracuse, Rochester, and Buffalo. Mortgages originated under this program will be held in Key Bank's portfolio, thereby permitting more liberal underwriting standards.

Key Bank also offers a variety of credit products and services designed to meet the housing-related credit needs of low- and moderate-income and minority neighborhoods within its delineated communities. For example, Key Bank, in conjunction with the New York State Affordable Homeownership Development Program and secondary market investors, started the Key Affordable Mortgage Program ("KEYAMP"). The program provides mortgage financing for borrowers who receive down payments in the form of grant monies from the state.[18] Since its inception in 1991, Key Bank has originated over $11 million in loans, and now provides the product through various neighborhood and government affordable housing programs. Key Bank also has developed a home improvement program, known as the Community Home Improvement Rehabilitation Program ("CHIRP") which offers qualified borrowers up to $25,000 with rates from 2.5 percent to 3 percent below the rates on conventional home improvement products.

In addition to its own special mortgage programs, Key Bank and its mortgage subsidiary offer a variety of government-sponsored loan products. These products include both federal and state guaranteed mortgage products such as Federal Housing Administration ("FHA") mortgages, Veterans Administration

14. *Id.* at 13,745 (1989).

15. The following six KeyCorp subsidiary banks also received "outstanding" CRA ratings: Key Bank of Alaska, Anchorage, Alaska; Key Bank of Idaho, Boise, Idaho; Key Bank of Maine, Portland, Maine; Key Bank of Washington, Seattle, Washington; Key Bank of Utah, Ogden, Utah; Key Bank of Wyoming, Cheyenne, Wyoming. The following three KeyCorp subsidiary banks received "satisfactory" ratings: Key Bank U.S.A., N.A., Albany, New York; Key Bank of Oregon, Portland, Oregon; and Key Savings Bank, Vancouver, Washington. Key Bank of Colorado, formerly known as Home Federal Savings Bank, Fort Collins, Colorado, has not been examined since its acquisition by KeyCorp in June 1993.

16. The three subsidiary banks of Society which received an "outstanding" CRA rating include Society National Bank, Cleveland, Ohio, Society National Bank, South Bend, Indiana, and Society Bank, Ann Arbor, Michigan. Society First Federal Savings Bank, Fort Myers, Florida, received a "satisfactory" CRA rating.

17. In reaching this conclusion, examiners sampled accepted and denied loan applications and mortgage lending patterns in census tracts within the MSAs of Key Bank's delineated community.

18. Key Bank also assists municipalities, nonprofit corporations, charitable organizations, builders, and developers construct, rehabilitate, or improve owner-occupied housing through this program by offering end-loan financing commitments, which are required before these organizations may apply to the New York State's Affordable Homeownership Development Program. The bank has enabled 32 projects to become eligible to construct 764 housing units.

("VA") mortgages, and State of New York Mortgage Agency ("SONYMA") programs.[19] Key Bank has also extended more than $26 million in agricultural loans and $19 million in Small Business Administration loans in 1992.

C. Conclusion Regarding Convenience and Needs Factor

The Board has carefully considered all the facts of record, including the comments received, in reviewing the convenience and needs factor under the BHC Act. Based on a review of the entire record of performance by KeyCorp, Society, and their subsidiary banks, the Board believes that the efforts of KeyCorp, Society, and their subsidiary banks to meet the convenience and needs of all segments of the communities they serve, including the credit needs of low- and moderate-income neighborhoods, are consistent with approval of this proposal.

Other Considerations

Based on all the facts of record, the Board has determined that the financial and managerial resources[20] and future prospects of Society and KeyCorp, and their respective subsidiaries, and other supervisory factors the Board must consider under section 3 of the BHC Act, also are consistent with approval.

Society and KeyCorp engage directly and through subsidiaries in a number of nonbanking activities that the Board has determined by order or regulations to be permissible for bank holding companies. The Board has reviewed the proposal to acquire relevant nonbanking subsidiaries in this case under section 4(c)(8) of the BHC Act.[21] These activities will be conducted in accordance with the relevant Board regulations and orders. The record in this case indicates that there are numerous providers of all nonbanking services in the proposal, and there is no evidence in the record to indicate that consummation of this proposal is likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices that would outweigh the public benefits of this proposal. Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval of these applications.

Conclusion

Based on the foregoing and other facts of record, the Board has determined that the applications should be, and hereby are, approved. The Board's approval is expressly conditioned upon compliance with all the commitments made by Society in connection with these applications and with the conditions referred to in this order, including obtaining all required state approvals. The determinations as to the nonbanking activities are subject to all of the conditions in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b)(3) (12 C.F.R. 225.4(d) and 225.23(b)(3)), and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or to prevent evasions of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder. The commitments and conditions relied on by the Board in reaching this decision are both deemed to be conditions imposed in writing by the Board in connection with its findings and decision, and, as such, may be enforced in proceedings under applicable law.

The acquisition of the subsidiary banks shall not be consummated before the thirtieth calendar day follow-

19. For example, the bank originated over $27 million in FHA loans, $8 million in SONYMA loans, and approximately $6.5 million in VA loans in 1992. Funding for other commercial housing projects is also provided through Department of Housing and Urban Development ("HUD") loan guarantees and Section 8 subsidies.

20. The Board has carefully considered a protest from an individual alleging violation of antitying prohibitions and other improper actions in connection with the individual's unsuccessful attempts to obtain a real estate development loan from a KeyCorp subsidiary bank. KeyCorp has generally denied any wrongdoing in its dealings with this individual, and states that these allegations represent an isolated dispute over a particular loan transaction. The Board has reviewed all facts of record, including relevant reports of examination from the bank's primary federal regulators. The Board notes that both KeyCorp and Society have policies in place that explain and prohibit illegal tying, and relevant employees receive training regarding these antitying policies. Society has committed to implement policies for the new organization that are at least as comprehensive as Society's policies after a review of the tying policies of both institutions. Moreover, the pending civil action, which is in its early stages of discovery proceedings, will provide the individual with an opportunity to fully press his claims and obtain a remedy, if his allegations are proved and a remedy is appropriate. The individual also has filed a complaint relating to a federal community development grant for a project financed by a KeyCorp bank with the HUD, the federal agency responsible for administering this program. HUD has determined that no further action on this complaint is warranted.

Based on all the facts of record, the Board believes that these matters do not warrant denial of these applications. The Board retains jurisdiction and full supervisory authority to take appropriate action in the event that the court determines, or a subsequent examination finds, that illegal tying or other improper actions have occurred. Society has committed to promptly inform the Federal Reserve Bank of Cleveland of each material development in the litigation with protestant.

21. The subsidiaries of KeyCorp that engage in the nonbanking activities are identified in the Appendix.

ing the effective date of this order, and the acquisition of the relevant banks and nonbanking companies shall not be consummated later than three months after the effective date of this order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Cleveland, acting pursuant to the delegated authority.

By order of the Board of Governors, effective January 27, 1994.

Voting for this action: Chairman Greenspan, Vice Chairman Mullins, and Governors Kelley, LaWare, Lindsey, and Phillips. Absent and not voting: Governor Angell.

JENNIFER J. JOHNSON
Associate Secretary of the Board

Appendix

Society will acquire the following banking organizations:

(1) Key Bancshares of Albany, and thereby acquire Key Bank of New York, Albany, and Key Bank, USA, N.A., Albany, all of New York;
(2) Key Bancshares of Alaska, Inc., and thereby acquire Key Bank of Alaska, both of Anchorage, Alaska;
(3) Key Bancshares of Oregon, and thereby acquire Key Bank of Oregon, both of Portland, Oregon;
(4) Key Bancshares of Idaho, and thereby acquire Key Bank of Idaho, both of Boise, Idaho;
(5) Key Bancshares of Maine, Inc., and thereby acquire Key Bank of Maine, both of Portland, Maine;
(6) Key Bancshares of Washington, and thereby acquire Key Bank of Washington, and Key Savings Bank, all of Tacoma, Washington;
(7) Key Bancshares of Utah, Inc., and thereby acquire Key Bank of Utah, both of Salt Lake City, Utah;
(8) Key Bankshares, Inc., and thereby acquire Key Bank of Wyoming, both of Cheyenne, Wyoming; and
(9) Key Bank of Colorado, Fort Collins, Colorado.

Society will acquire the following nonbanking subsidiaries:

(1) Key Bank Life Insurance, Ltd., Phoenix, Arizona, and thereby engage in the underwriting and sale of credit-related insurance pursuant to § 225.25(b)(8)(i) of the Board's Regulation Y;
(2) Key Trust Company, Albany, New York, and thereby engage in trust company activities pursuant to § 225.25(b)(3) of the Board's Regulation Y;
(3) Key Trust of Florida, N.A., Orlando, Florida, and thereby engage in trust company activities pursuant to § 225.25(b)(3) of the Board's Regulation Y;
(4) Key Trust of Maine, Bangor, Maine, and thereby engage in trust company activities pursuant to § 225.25(b)(3) of the Board's Regulation Y;
(5) Key Trust of the Northwest, Seattle, Washington, and thereby engage in trust company activities pursuant to § 225.25(b)(3) of the Board's Regulation Y;
(6) Key Trust Company of the West, Cheyenne, Wyoming, and thereby engage in trust company activities pursuant to § 225.25(b)(3) of the Board's Regulation Y;
(7) Key Pacific Mortgage Company, Anchorage, Alaska, and thereby engage in mortgage servicing activities pursuant to § 225.25(b)(1)(iii) of the Board's Regulation Y; and
(8) The Tacoma Partnership, Tacoma, Washington, and thereby engage in community development activities pursuant to § 225.25(b)(6) of the Board's Regulation Y.

ACTIONS TAKEN UNDER THE FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT

By the Board

Bancshares of Eastern Arkansas, Inc.
Forrest City, Arkansas

Order Approving Application to Acquire a Savings Association

Bancshares of Eastern Arkansas, Inc., Forrest City, Arkansas ("Bancshares"), has requested the Board's approval under section 5(d)(3) of the Federal Deposit Insurance Act (12 U.S.C. § 1815(d)(3)) (the "FDI Act"), as amended by the Federal Deposit Insurance Corporation Improvement Act of 1991 (Pub. L. No. 102-242, § 501, 105 Stat. 2236, 2388-2392 (1991)) to merge WynBanc Savings, a Federal Savings Bank, Wynne, Arkansas ("WynBanc") into Bancshares's subsidiary's bank, First National Bank of Eastern Arkansas, Forrest City, Arkansas ("FNB"). Section 5(d)(3) of the FDI Act requires the Board to review any proposed merger between a Savings Association Insurance Fund member and any Bank Insurance Fund ("BIF") member, if the acquiring or resulting institution is a BIF insured subsidiary of a bank holding company, and, in reviewing these proposals, to follow the procedures and consider the factors set forth in section 18(c) the Bank Merger Act (12 U.S.C. § 828(c) ("Bank Merger Act")).[1] This transaction also is subject

1. 12 U.S.C. § 1815(d)(3)(E). These factors include considerations relating to competition, financial and managerial resources and future prospects of the existing and proposed institutions, and the convenience and needs of the communities to be served. 12 U.S.C. § 1828(c).

to review under the Bank Merger Act by the Office of the Comptroller of the Currency ("OCC"), the primary regulator for FNB.[2]

Notice of the application, affording interested persons an opportunity to submit comments, has been published in accordance with the Bank Merger Act and the Board's Rules of Procedure (12 C.F.R. 262.3(b)). Reports on the competitive effects of the merger were requested from the United States Attorney General, the OCC, and the Federal Deposit Insurance Corporation. The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in the Bank Merger Act and section 5(d)(3) of the FDI Act.

Bancshares is the 35th largest depository institution in Arkansas, controlling approximately $134.6 million in deposits, representing less than 1 percent of the total deposits in depository institutions in Arkansas.[3] WynBanc Savings is the 141st largest depository institution in Arkansas, controlling approximately $16 million in deposits on a weighted basis, representing less than 1 percent of the total deposits in depository institutions in the state.[4] Upon consummation of the proposal, Bancshares would become the 25th largest commercial depository organization in the state, controlling approximately $166.6 million in deposits, representing less than 1 percent of the total deposits in depository institutions in Arkansas.

Bancshares and WynBanc do not compete directly in any relevant banking market. Based on all the facts of record, the Board concludes that the proposal would not result in any significantly adverse effects on competition in any relevant banking market.

Convenience and Needs Considerations

In analyzing the convenience and needs factor, the Board has considered the comments of an individual commenter ("Protestant") submitted in connection with this application. Protestant generally alleges that Bancshares has not met the credit needs of low- and moderate-income residents, and supports these allegations with comments from FNB's most recent performance examination under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA") by the OCC as of August 27, 1993 ("1993 examination"). Specifically, Protestant notes that the 1993 examination characterized the bank's participation in special loan programs to meet the identified credit needs of the community as occasional, and maintains that FNB makes an insufficient number of loans through government insured, guaranteed or subsidized loan programs for housing, small business or small farms. Protestant also cites comments of examiners regarding the lack of a formal CRA program at the bank or director involvement in CRA activities, including credit ascertainment. In considering the convenience and needs factor, the Board has carefully reviewed the entire record of CRA performance of FNB and WynBanc in light of these comments and all other relevant facts of record.

Initially, the Board notes that FNB's record of CRA performance was rated "satisfactory" in the 1993 examination. In this regard, FNB's overall lending activities were considered to be satisfactory by examiners. Moreover, the 1993 examination specifically concluded that FNB had met its community's identified credit needs through the origination of residential mortgages, consumer, small business, and small farm loans. The 1993 examination also noted with approval FNB's participation in other community development activities, including the bank's participation in the Arkansas Human Development Corporation's small business lending program and its investment in local community bonds.

FNB also has initiated steps in response to examiner comments regarding a formal CRA program and board of director oversight of CRA activities. For example, FNB recently adopted a revised CRA Policy that addresses all the assessment areas for CRA performance. This Policy includes procedures for ensuring board of director oversight of the formulation and supervision of FNB's CRA activities, and requires formal discussions of all CRA activities, including ascertainment efforts by individual board members,[5] at board of director meetings. OCC examiners have reviewed these initiatives and consider the measures sufficient to address the comments in the 1993 examination.

In light of the foregoing and other facts of record, the Board does not believe that Protestant's comments warrant denial of this application. Based on all facts of

2. The OCC has not yet acted on the proposal.

3. In this context, depository institutions include commercial banks, savings banks and savings associations. Asset and deposit data are as of June 30, 1992.

4. State deposit data before consummation are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become or have the potential to become, significant competitors of commercial banks. *See WM Bancorp*, 76 *Federal Reserve Bulletin* 788 (1990); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984). Because the deposits of WynBanc would be transferred to a commercial bank under this proposal, those deposits are included at 100 percent in the calculation of Bancshares's post-consummation share of state deposits. *See Norwest Corporation*, 78 *Federal Reserve Bulletin* 452 (1992); *First Banks, Inc.*, 76 *Federal Reserve Bulletin* 669, 670 n.9 (1990).

5. The 1993 examination concluded that FNB's ascertainment efforts generally were satisfactory.

record, the Board concludes that considerations relating to the convenience and needs of the communities to be served, including FNB's record of performance under the CRA, are consistent with approval.

Other Considerations

The Board also concludes that the financial and managerial resources and future prospects of FNB are consistent with approval of this application. Moreover, the record in this case shows that:

(1) The transaction will not result in the transfer of any federally insured depository institution's federal deposit insurance from one federal deposit insurance fund to the other;

(2) Bancshares and WynBanc currently meet, and upon consummation of the proposed transaction will continue to meet, all applicable capital standards; and

(3) The proposed transaction would comply with the interstate provisions of the Bank Holding Company Act if WynBanc were a state bank that Bancshares was applying to acquire directly. *See* 12 U.S.C. § 1815(d)(3).

Based on the foregoing and all the facts of record, the Board has determined that this application should be, and hereby is, approved. This approval is subject to FNB's obtaining the required approval of the appropriate Federal banking agency for the proposed merger under the Bank Merger Act. The Board's approval of this application also is conditioned upon compliance by Bancshares and WynBanc with the commitments made in connection with this application. For purposes of this action, the commitments and conditions relied on in reaching this decision are both conditions imposed in writing by the Board and, as such, may be enforced in proceedings under applicable law.

The proposal may not be consummated before the thirtieth calendar day following the effective date of this order, and this proposal may not be consummated later than three months after the effective date of this order, unless such period is extended by the Board or by the Federal Reserve Bank of St. Louis, acting pursuant to delegated authority.

By order of the Board of Governors, effective January 10, 1994.

Voting for this action: Chairman Greenspan, Vice Chairman Mullins, and Governors Kelley, LaWare, Lindsey and Phillips. Absent and not voting: Governor Angell.

JENNIFER J. JOHNSON
Associate Secretary of the Board

ACTIONS TAKEN UNDER THE FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991

By the Director of the Division of Banking Supervision and Regulation and the General Counsel of the Board

Copies are available upon request to the Freedom of Information Office, Office of the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Bank Holding Company	Acquired Thrift	Acquiring Bank(s)	Approval Date
Dakota Company, Inc., Minneapolis, Minnesota	South Dakota Bancorp, Inc., Minneapolis, Minnesota South Dakota Financial Bancorporation, Inc., Minneapolis, Minnesota Bank of South Dakota, Watertown, South Dakota	Dakota State Bank, Milbank, South Dakota	January 4, 1994

FDICIA—Continued

Bank Holding Company	Acquired Thrift	Acquiring Bank(s)	Approval Date
Union Bancshares, Inc., Wichita, Kansas	First Community Federal Savings and Loan Association, Winfield, Kansas	Union National Bank of Wichita, Wichita, Kansas	January 13, 1994

Applications Approved Under Bank Holding Company Act

By the Secretary of the Board

Recent applications have been approved by the Secretary of the Board as listed below. Copies are available upon request to the Freedom of Information Office, Office of the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

Applicant(s)	Bank(s)	Effective Date
First Bank System, Inc., Minneapolis, Minnesota	Boulevard Bancorp, Inc., Chicago, Illinois	January 28, 1994
First Bank System, Inc. Minneapolis, Minnesota	Boulevard Bancorp, Inc. Chicago, Illinois	February 2, 1994
Incus Co. Ltd., Tortola, British Virgin Islands Kline Investment Co. Ltd., Tortola, British Virgin Islands	Laredo National Bancshares, Laredo, Texas	January 31, 1994
Trans Financial Bancorp, Inc., Bowling Green, Kentucky	Kentucky Community Bancorp, Inc., Maysville, Kentucky	January 13, 1994
Union Planters Corporation, Memphis, Tennessee	Anderson County Bank, Clinton, Tennessee	January 26, 1994

Section 4

Applicant(s)	Bank(s)	Effective Date
First Security Corporation, Salt Lake City, Utah	First Security Investor Services, Inc., Salt Lake City, Utah	January 11, 1994
Northern Trust Corporation, Chicago, Illinois	Northern Futures Corporation, Chicago, Illinois	January 13, 1994

Applications Approved Under Bank Holding Company Act

By Federal Reserve Banks

Recent applications have been approved by the Federal Reserve Banks as listed below. Copies are available upon request to the Reserve Banks.

Section 3

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Bank South Corporation, Atlanta, Georgia	Chattahoochee Bancorp, Inc., Atlanta, Georgia	Atlanta	January 21, 1994
Bank South Corporation, Atlanta, Georgia	Merchant Bank Corporation, Atlanta, Georgia	Atlanta	January 26, 1994
Citizens Bancshares, Inc., Salineville, Ohio	The Firestone Bank, Lisbon, Ohio	Cleveland	December 30, 1994
City National Bancshares, Inc., Colorado City, Texas	TM&S Bancshares, Inc., Dover, Delaware The City National Bank of Colorado City, Colorado City, Texas	Dallas	January 21, 1994
Clatonia Bancshares, Inc., Clatonia, Nebraska	Farmers Bank of Clatonia, Clatonia, Nebraska	Kansas City	January 19, 1994
Clay BancShares, Inc., Flora, Illinois	Flora Bank & Trust, Flora, Illinois	St. Louis	January 19, 1994
Commerce Bancshares, Inc., Kansas City, Missouri	CBI-Central Kansas, Kansas City, Missouri The Walnut Valley Corporation, El Dorado, Kansas	Kansas City	January 13, 1994
Community First Bankshares, Inc., Denver, Colorado	The Bank of Cherry Creek, Denver, Colorado, Mesa National Bank, Grand Junction, Colorado Western National Bank of Colorado, Colorado Springs, Colorado Southern Colorado Bancshares, Inc., Pueblo West, Colorado	Kansas City	January 21, 1994
Decatur Bancshares, Inc., Decaturville, Tennessee	Decatur County Bank, Decaturville, Tennessee	St. Louis	January 12, 1994
East Side Financial, Inc., Chicago, Illinois	East Side Savings Bank, Chicago, Illinois	Chicago	January 14, 1994

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
First Bancorporation of Ohio, Akron, Ohio	Peoples Savings Bank, Federal Savings Bank, Ashtabula, Ohio	Cleveland	January 25, 1994
Flint Hills Bancshares, Inc., Gridley, Kansas	The Citizens State Bank, Gridley, Kansas	Kansas City	December 31, 1993
Gold Bancshares, Inc., Prairie Village, Kansas	Provident Bancshares, Inc., St. Joseph, Missouri	Kansas City	January 12, 1994
Greater Columbia Bancshares, Inc., Portage, Wisconsin	1st Columbia Corp., Columbus, Wisconsin	Chicago	January 10, 1994
Greater Metro Bank Holding Comany, Aurora, Colorado	Montbello Bankcorp, Inc., Denver, Colorado	Kansas City	January 20, 1994
Intercontinental Bank Shares Corporation, San Antonio, Texas	Garden Ridge State Bank, San Antonio, Texas	Dallas	December 30, 1993
Market Street Bancshares, Inc., McLeansboro, Illinois	Wayne County Bank and Trust Company, Fairfield, Illinois	St. Louis	December 30, 1993
Odem Bancshares, Inc., Odem, Texas	First State Bank of Odem, Odem, Texas	Dallas	January 13, 1994
Rudolph Bancshares, Inc., Rudolph, Wisconsin	Farmers and Merchants Bank, Rudolph, Wisconsin	Chicago	January 14, 1994
Southeast Kansas Bancshares, Inc., Girard, Kansas	The Exchange State Bank of St. Paul, St. Paul, Kansas Prescott State Bank Holding Company, Inc., Prescott, Kansas	Kansas City	January 14, 1994
TM&S Bancshares, Inc., Dover, Delaware	The City National Bank of Colorado City, Colorado City, Texas	Dallas	January 21, 1994

Section 4

Applicant(s)	Nonbanking Activity/ Company	Reserve Bank	Effective Date
Cass Commercial Corporation, St. Louis, Missouri	Cass Logistics, Inc., Bridgeton, Missouri	St. Louis	January 14, 1994
First Bank Holding Company, Inc., Harvey, North Dakota	Harvey Insurance Agency, Inc., Harvey, North Dakota	Minneapolis	January 7, 1994

Section 4—Continued

Applicant(s)	Nonbanking Activity/ Company	Reserve Bank	Effective Date
First Union Corporation, Charlotte, North Carolina	Internet, Inc., Reston, Virginia	Richmond	January 10, 1994
Five Flags Banks, Inc., Pensacola, Florida	Bank Data, Inc., Pensacola, Florida	Atlanta	January 20, 1994
Old Kent Financial Corporation, Grand Rapids, Michigan	Grand Rapids Hope Limited Partnership II, Grand Rapids, Michigan	Chicago	December 29, 1993
Peoples First Corporation, Paducah, Kentucky	First Kentucky Bancorp, Inc., Central City, Kentucky	St. Louis	January 4, 1994
Zappco, Inc., St. Cloud, Minnesota	to engage *de novo* in management consulting advice to nonaffiliated depository institutions	Minneapolis	December 31, 1993

PENDING CASES INVOLVING THE BOARD OF GOVERNORS

This list of pending cases does not include suits against the Federal Reserve Banks in which the Board of Governors is not named a party.

DLG Financial Corp. v. Board of Governors, No. 94–10078 (5th Cir., filed January 20, 1994). Appeal of district court dismissal of appellants' action to enjoin the Board and the Federal Reserve Bank of Dallas from taking certain enforcement actions, and for money damages on a variety of tort and contract theories.

Board of Governors v. DLG Financial Corp., Nos. 93–2944 and 94–20013 (5th Cir., filed December 14, 1993 and December 31, 1993). Appeal of a temporary restraining order and a preliminary injunction obtained by the Board freezing assets of a corporation and an individual pending administrative adjudication of civil money penalty assessments by the Board.

Board of Governors v. Oppegard, No. 93–3706 (8th Cir., filed November 1, 1993). Appeal of district court order ordering appellant Oppegard to comply with prior order requiring compliance with Board removal, prohibition, and civil money penalty order. The Board's brief was filed on January 20, 1994.

Scott v. Board of Governors, No. 930905843CV (Dist. Ct., Salt Lake County, Utah, filed October 8, 1993). Action against Board and others for damages and injunctive relief for alleged constitutional and statutory violations caused by issuance of Federal Reserve notes.

Richardson v. Board of Governors, et al., No. 93-C 836A (D. Utah, filed August 30, 1993). Action against Board and others for damages and injunctive relief for alleged constitutional and statutory violations caused by issuance of Federal Reserve notes. On September 20, 1993, the Board filed a motion to dismiss.

First National Bank of Bellaire v. Board of Governors, No. H-93–1708 (S.D. Texas, filed June 8, 1993). Action to enjoin possible enforcement actions by Board of Governors and other bank regulatory agencies. On September 23, 1993, the agencies filed a motion to dismiss.

Kubany v. Board of Governors, et al., No. 93–1428 (D. D.C., filed July 9, 1993). Action challenging Board determination under the Freedom of Information Act. The Board's motion to dismiss was filed on October 15, 1993.

Bennett v. Greenspan, No. 93–1813 (D. D.C., filed April 20, 1993). Employment discrimination action.

Amann v. Prudential Home Mortgage Co., et al., No. 93–10320 WD (D. Massachusetts, filed February 12, 1993). Action for fraud and breach of contract arising out of a home mortgage. On April 17, 1993, the Board filed a motion to dismiss.

Adams v. Greenspan, No. 93–0167 (D. D.C., filed January 27, 1993). Action by former employee under the Civil Rights Act of 1964 and the Rehabilitation Act of 1973 concerning termination of employment. The Board's motion for partial summary judgment was filed on January 4, 1994.

CBC, Inc. v. Board of Governors, No. 92–9572 (10th Cir., filed December 2, 1992). Petition for review of civil money penalty assessment against a bank holding company and three of its officers and directors for failure to comply with reporting requirements. Petition for review denied November 30, 1993.

Zemel v. Board of Governors, No. 92–1056 (D. D.C., filed May 4, 1992). Age Discrimination in Employment Act case. The parties' cross-motions for summary judgment are pending.

Board of Governors v. Ghaith R. Pharaon, No. 91-CIV-6250 (S.D. New York, filed September 17, 1991). Action to freeze assets of individual pending administrative adjudication of civil money penalty assessment by the Board. On September 17, 1991, the court issued an order temporarily restraining the transfer or disposition of the individual's assets.

Final Enforcement Decision Issued by the Board of Governors

In the Matter of a Notice to Prohibit Further Participation Against

Paul Lowder
Former Director, Agent, and
Institution-Affiliated Party
First National Bank in Kaufman,
Kaufman, Texas

OCC No. AA-EC-93–72

Final Decision

This is an administrative proceeding pursuant to the Federal Deposit Insurance Act ("FDI Act") in which the Office of Comptroller of the Currency of the United States of America ("OCC") seeks to prohibit the Respondent, Paul Lowder, from further participation in the affairs of any financial institution as a result of his conduct as a director of the First National Bank in Kaufman, Kaufman, Texas (the "Bank"). The proceeding comes to the Board of Governors of the Federal Reserve System (the "Board") in the form of a Recommended Decision by Administrative Law Judge ("ALJ") Arthur L. Shipe recommending that the Board issue an Order of Prohibition against Lowder by default pursuant to the provisions of 12 U.S.C. § 1818(e) and 12 C.F.R. 19.19(c).

Upon review of the administrative record, the Board issues this Final Decision adopting the ALJ's Recommended Decision and orders that the attached Order of Prohibition issue against Lowder.

I. Statement of the Case

A. Procedural History

On May 6, 1993, the OCC issued a Notice of Intention to Prohibit Further Participation (the "Notice") against Lowder pursuant to the provisions of 12 U.S.C. § 1818(e)(1), seeking Lowder's prohibition from further participation in banking. The OCC alleged among other things that Lowder, while director of the Bank, had conducted the business of a loan brokerage company that sold loans to the Bank and generated $648,072 in commissions for Lowder. The OCC alleged that the Bank's losses attributable to its dealings with the brokerage exceeded $1,200,000. Accordingly, the OCC charged that Lowder had participated in a series of violations of law, unsafe or unsound banking practices, and breaches of fiduciary duty that caused substantial financial loss or other damage to the Bank, seriously prejudiced the interests of the Bank's depositors, involved financial gain to Lowder, and evidenced Lowder's willful and continuing disregard for the Bank's safety or soundness.[1] The Notice required that Lowder file an answer to the charges within 20 days of service of the Notice.

The Notice was served upon Lowder by certified United States mail on May 12, 1993, the receipt of which was acknowledged by Lowder on May 14, 1993. *See* Exhibit 2 to Motion For Entry of an Order of Default. OCC Enforcement Counsel consented to an extension of the deadline for an answer until June 21, 1993, and then offered Lowder an additional opportunity to contest the charges. When no answer from Lowder was received, OCC Enforcement Counsel on July 28, 1993 filed a motion for entry of an order of default. The motion was supported by certified mail receipts attached as exhibits purporting to demonstrate Lowder's receipt of the Notice, and by a certificate from Lisa Chase, OCC Docket Clerk, attesting that Lowder had not filed an answer to the Prohibition Notice as of July 20, 1993.

1. In addition, the OCC sought relief against Lowder in the form of an assessment of civil money penalties and an order to cease and desist and to take affirmative corrective action. The OCC also initiated proceedings seeking sanctions against other Bank insiders. The only proceeding now before the Board is the prohibition proceeding against Lowder.

Lowder filed no response to the motion for default. On August 27, 1993, the ALJ issued an order directing Lowder to show cause why the motion for default should not be granted. The order to show cause was personally served upon Lowder and the record contains a certified mail receipt purporting to be signed by Lowder on October 12, 1993. Lowder did not respond to the show cause order.

On November 5, 1993, the ALJ granted the OCC Enforcement Counsel's motion for default, finding that the Notice had been duly served upon Lowder, that Lowder had never filed an answer, and that no good cause had been shown for Lowder's failure to file a timely answer. Accordingly, ALJ Shipe issued a Recommended Decision recommending that the Board issue an Order of Prohibition against Lowder pursuant to the applicable rule for default upon failure to file an answer.

The Recommended Decision on Default was referred to the Board for final decision on November 16, 1993. Lowder has filed no exceptions to the Recommended Decision.

B. Statutory Framework

The FDI Act sets forth the basis upon which a federal banking agency may issue against a bank official an order of removal from office or prohibition from further participation in banking. In order to issue such an order pursuant to section 1818(e)(1), the Board must make each of three findings:

(1) There must be a specified type of *misconduct* — violation of law, unsound practice, or breach of fiduciary duty;

(2) The misconduct must have a prescribed *effect* — financial gain to the respondent or financial harm or other damage to the institution; and

(3) The misconduct must involve *culpability* of a certain degree—personal dishonesty or willful or continuing disregard for the safety or soundness of the institution. 12 U.S.C. § 1818(e)(1).

In prohibition cases brought by the OCC with respect to a party affiliated with a national bank, the recommended findings and conclusions of the ALJ are certified to the Board to determine whether any order shall issue. 12 U.S.C. § 1818(e)(4).

The Uniform Rules of Practice and Procedure ("Uniform Rules")[2] applicable to this proceeding provide that, following the issuance of a notice of intention to prohibit an institution-affiliated party, a Respondent's failure to file an answer within the time provided constitutes a waiver of his or her right to appear and to contest the allegations in the notice. 12 C.F.R. 19.19(c). If no timely answer is filed, Enforcement Counsel is authorized to file a motion for entry of an order of default. *Id.* Upon a finding that no good cause has been shown for the failure to file a timely answer, the ALJ is directed to file a recommended decision containing the findings and relief sought by the agency. *Id.*

II. Discussion

In the circumstances of this case, it is clear that the OCC has established the basis for a default order of prohibition under the terms of the Uniform Rules. The fact that Lowder was duly served with notice of the proceeding and of his obligation to answer is supported by the signed certified mail receipt. Lowder was granted repeated opportunities to respond to the charges and there is no basis for any inference that Lowder's default is the result of any mischance or inadvertence. The ALJ acted reasonably and in accordance with the Uniform Rules in finding that no good cause existed for relieving Lowder from the consequences of his failure to submit an answer to the Notice.

Conclusion

For these reasons, the Board orders the issuance of the attached Order of Prohibition.

Order of Prohibition

WHEREAS, pursuant to section 8(e) of the Federal Deposit Insurance Act, as amended, (the "Act") (12 U.S.C. § 1818(e)), the Board of Governors of the Federal Reserve System ("the Board") is of the opinion, for the reasons set forth in the accompanying Final Decision, that a final Order of Prohibition should issue against PAUL LOWDER,

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to sections 8(e), and 8(j) of the Act, (12 U.S.C. §§ 1818(e) and 1818(j)), that:

1. In the absence of prior written approval by the Board, and by any other Federal financial institution regulatory agency where necessary pursuant to sec-

2. The Uniform Rules, adopted concurrently by each of the financial institution regulatory agencies, including the Board and the OCC, constitute a materially identical set of procedural rules that control most aspects of those agencies' enforcement proceedings. *Compare* 12 C.F.R. Part 19, Subpart A (OCC) with 12 C.F.R. Part 263, Subpart A (Board).

tion 8(e)(7)(B) of the Act (12 U.S.C. § 1818(e)(7)(B)), PAUL LOWDER is hereby prohibited:

(a) From participating in the conduct of the affairs of any bank holding company, any insured depository institution or any other institution specified in subsection 8(e)(7)(A) of the Act (12 U.S.C. § 1818(e)(7)(A));

(b) From soliciting, procuring, transferring, attempting to transfer, voting or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in subsection 8(e)(7)(A) of the Act (12 U.S.C. § 1818(e)(7)(A));

(c) From violating any voting agreement previously approved by the appropriate Federal banking agency; or

(d) From voting for a director, or from serving or acting as an institution-affiliated party as defined in section 3(u) of the Act, (12 U.S.C. § 1813(u)), including serving as an officer, director, or employee.

2. This Order, and each provision hereof, is and shall remain fully effective and enforceable until expressly stayed, modified, terminated or suspended in writing by the Board.

3. This Order shall become effective upon the expiration of thirty days after service is made.

By Order of the Board of Governors, this tenth day of January, 1994.

Board of Governors of the
Federal Reserve System

William W. Wiles
Secretary of the Board

Final Enforcement Orders Issued by the Board of Governors

Dyer F & M Bancshares, Inc.
Dyer, Tennessee

The Federal Reserve Board announced on January 31, 1994, the issuance of a Cease and Desist Order against Dyer F & M Bancshares, Inc., Dyer, Tennessee.

Founders' Bank
Bryn Mawr, Pennsylvania

The Federal Reserve Board announced on January 4, 1994, the issuance of an Order of Assessment of a Civil Money Penalty against the Founders' Bank, Bryn Mawr, Pennsylvania, a state member bank.

Marlen V. Johnson
Salt Lake City, Utah

The Federal Reserve Board announced on January 4, 1994, the issuance of an Order of Prohibition against Marlen V. Johnson, a former institution-affiliated party of United London Group, Inc., Salt Lake City, Utah.

John L. Piesik
Upton, Wyoming

The Federal Reserve Board announced on January 24, 1994, the issuance of an Order of Assessment of a Civil Money Penalty against John L. Piesik, an institution-affiliated party and former Senior Vice President of the Union State Bank, Upton, Wyoming.

Written Agreements Approved by Federal Reserve Banks

United Financial Banking Companies, Inc.
Vienna, Virginia

The Federal Reserve Board announced on January 24, 1994, the execution of a Written Agreement among the Federal Reserve Bank of Richmond, the Commissioner of Financial Institutions, Bureau of Financial Institutions of the Commonwealth of Virginia, and United Financial Banking Companies, Inc., Vienna, Virginia.

Membership of the Board of Governors of the Federal Reserve System, 1913–94

APPOINTIVE MEMBERS[1]

Name	Federal Reserve District	Date of initial oath of office	Other dates and information relating to membership[2]
Charles S. Hamlin	Boston	Aug. 10, 1914	Reappointed in 1916 and 1926. Served until Feb. 3, 1936.[3]
Paul M. Warburg	New York	do	Term expired Aug. 9, 1918.
Frederic A. Delano	Chicago	do	Resigned July 21, 1918.
W.P.G. Harding	Atlanta	do	Term expired Aug. 9, 1922.
Adolph C. Miller	San Francisco	do	Reappointed in 1924. Reappointed in 1934 from the Richmond District. Served until Feb. 3, 1936.[3]
Albert Strauss	New York	Oct. 26, 1918	Resigned Mar. 15, 1920.
Henry A. Moehlenpah	Chicago	Nov. 10, 1919	Term expired Aug. 9, 1920.
Edmund Platt	New York	June 8, 1920	Reappointed in 1928. Resigned Sept. 14, 1930.
David C. Wills	Cleveland	Sept. 29, 1920	Term expired Mar. 4, 1921.
John R. Mitchell	Minneapolis	May 12, 1921	Resigned May 12, 1923.
Milo D. Campbell	Chicago	Mar. 14, 1923	Died Mar. 22, 1923.
Daniel R. Crissinger	Cleveland	May 1, 1923	Resigned Sept. 15, 1927.
George R. James	St. Louis	May 14, 1923	Reappointed in 1931. Served until Feb. 3, 1936.[4]
Edward H. Cunningham	Chicago	do	Died Nov. 28, 1930.
Roy A. Young	Minneapolis	Oct. 4, 1927	Resigned Aug. 31, 1930.
Eugene Meyer	New York	Sept. 16, 1930	Resigned May 10, 1933.
Wayland W. Magee	Kansas City	May 18, 1931	Term expired Jan. 24, 1933.
Eugene R. Black	Atlanta	May 19, 1933	Resigned Aug. 15, 1934.
M.S. Symczak	Chicago	June 14, 1933	Reappointed in 1936 and 1948. Resigned May 31, 1961.
J.J. Thomas	Kansas City	do	Served until Feb. 10, 1936.[3]
Marriner S. Eccles	San Francisco	Nov. 15, 1934	Reappointed in 1936, 1940, and 1944. Resigned July 14, 1951.
Joseph A. Broderick	New York	Feb. 3, 1936	Resigned Sept. 30, 1937.
John K. McKee	Cleveland	do	Served until Apr. 4, 1946.[3]
Ronald Ransom	Atlanta	do	Reappointed in 1942. Died Dec. 2, 1947.
Ralph W. Morrison	Dallas	Feb. 10, 1936	Resigned July 9, 1936.
Chester C. Davis	Richmond	June 25, 1936	Reappointed in 1940. Resigned Apr. 15, 1941.
Ernest G. Draper	New York	Mar. 30, 1938	Served until Sept. 1, 1950.[3]
Rudolph M. Evans	Richmond	Mar. 14, 1942	Served until Aug. 13, 1954.[3]
James K. Vardaman, Jr.	St. Louis	Apr. 4, 1946	Resigned Nov. 30, 1958.
Lawrence Clayton	Boston	Feb. 14, 1947	Died Dec. 4, 1949.
Thomas B. McCabe	Philadelphia	Apr. 15, 1948	Resigned Mar. 31, 1951.
Edward L. Norton	Atlanta	Sept. 1, 1950	Resigned Jan. 31, 1952.
Oliver S. Powell	Minneapolis	do	Resigned June 30, 1952.
Wm. McC. Martin, Jr.	New York	April 2, 1951	Reappointed in 1956. Term expired Jan. 31, 1970.
A.L. Mills, Jr.	San Francisco	Feb. 18, 1952	Reappointed in 1958. Resigned Feb. 28, 1965.
J.L. Robertson	Kansas City	do	Reappointed in 1964. Resigned Apr. 30, 1973.
C. Canby Balderston	Philadelphia	Aug. 12, 1954	Served through Feb. 28, 1966.
Paul E. Miller	Minneapolis	Aug. 13, 1954	Died Oct. 21, 1954.
Chas. N. Shepardson	Dallas	Mar. 17, 1955	Retired Apr. 30, 1967.
G.H. King, Jr.	Atlanta	Mar. 25, 1959	Reappointed in 1960. Resigned Sept. 18, 1963.
George W. Mitchell	Chicago	Aug. 31, 1961	Reappointed in 1962. Served until Feb. 13, 1976.[3]
J. Dewey Daane	Richmond	Nov. 29, 1963	Served until Mar. 8, 1974.[3]

Name	Federal Reserve District	Date of initial oath of office	Other dates and information relating to membership[2]
Sherman J. Maisel	San Francisco	Apr. 30, 1965	Served through May 31, 1972.
Andrew F. Brimmer	Philadelphia	Mar. 9, 1966	Resigned Aug. 31, 1974.
William W. Sherrill	Dallas	May 1, 1967	Reappointed in 1968. Resigned Nov. 15, 1971.
Arthur F. Burns	New York	Jan. 31, 1970	Term began Feb. 1, 1970. Resigned Mar. 31, 1978.
John E. Sheehan	St. Louis	Jan. 4, 1972	Resigned June 1, 1975.
Jeffrey M. Bucher	San Francisco	June 5, 1972	Resigned Jan. 2, 1976.
Robert C. Holland	Kansas City	June 11, 1973	Resigned May 15, 1976.
Henry C. Wallich	Boston	Mar. 8, 1974	Resigned Dec. 15, 1986.
Philip E. Coldwell	Dallas	Oct. 29, 1974	Served through Feb. 29, 1980.
Philip C. Jackson, Jr.	Atlanta	July 14, 1975	Resigned Nov. 17, 1978.
J. Charles Partee	Richmond	Jan. 5, 1976	Served until Feb. 7, 1986.[3]
Stephen S. Gardner	Philadelphia	Feb. 13, 1976	Died Nov. 19, 1978.
David M. Lilly	Minneapolis	June 1, 1976	Resigned Feb. 24, 1978.
G. William Miller	San Francisco	Mar. 8, 1978	Resigned Aug. 6, 1979.
Nancy H. Teeters	Chicago	Sept. 18, 1978	Served through June 27, 1984.
Emmett J. Rice	New York	June 20, 1979	Resigned Dec. 31, 1986.
Frederick H. Schultz	Atlanta	July 27, 1979	Served through Feb. 11, 1982.
Paul A. Volcker	Philadelphia	Aug. 6, 1979	Resigned August 11, 1987.
Lyle E. Gramley	Kansas City	May 28, 1980	Resigned Sept. 1, 1985.
Preston Martin	San Francisco	Mar. 31, 1982	Resigned April 30, 1986.
Martha R. Seger	Chicago	July 2, 1984	Resigned March 11, 1991.
Wayne D. Angell	Kansas City	Feb. 7, 1986	Served through Feb. 9, 1994.
Manuel H. Johnson	Richmond	Feb. 7, 1986	Resigned August 3, 1990.
H. Robert Heller	San Francisco	Aug. 19, 1986	Resigned July 31, 1989.
Edward W. Kelley, Jr.	Dallas	May 26, 1987	Reappointed in 1990.
Alan Greenspan	New York	Aug. 11, 1987	Reappointed in 1992.
John P. LaWare	Boston	Aug. 15, 1988	
David W. Mullins, Jr.	St. Louis	May 21, 1990	Resigned Feb. 14, 1994.
Lawrence B. Lindsey	Richmond	Nov. 26, 1991	
Susan M. Phillips	Chicago	Dec. 2, 1991	

Chairmen[4]

Charles S. Hamlin	Aug. 10, 1914–Aug. 9, 1916
W.P.G. Harding	Aug. 10, 1916–Aug. 9, 1922
Daniel R. Crissinger	May 1, 1923–Sept. 15, 1927
Roy A. Young	Oct. 4, 1927–Aug. 31, 1930
Eugene Meyer	Sept. 16, 1930–May 10, 1933
Eugene R. Black	May 19, 1933–Aug. 15, 1934
Marriner S. Eccles	Nov. 15, 1934–Jan. 31, 1948
Thomas B. McCabe	Apr. 15, 1948–Mar. 31, 1951
Wm. McC. Martin, Jr.	Apr. 2, 1951–Jan. 31, 1970
Arthur F. Burns	Feb. 1, 1970–Jan. 31, 1978
G. William Miller	Mar. 8, 1978–Aug. 6, 1979
Paul A. Volcker	Aug. 6, 1979–Aug. 11, 1987
Alan Greenspan	Aug. 11, 1987–

Vice Chairmen[4]

Frederic A. Delano	Aug. 10, 1914–Aug. 9, 1916
Paul M. Warburg	Aug. 10, 1916–Aug. 9, 1918
Albert Strauss	Oct. 26, 1918–Mar. 15, 1920
Edmund Platt	July 23, 1920–Sept. 14, 1930
J.J. Thomas	Aug. 21, 1934–Feb. 10, 1936
Ronald Ransom	Aug. 6, 1956–Dec. 2, 1947
C. Canby Balderston	Mar. 11, 1955–Feb. 28, 1966
J.L. Robertson	Mar. 1, 1966–Apr. 30, 1973
George W. Mitchell	May 1, 1973–Feb. 13, 1976
Stephen S. Gardner	Feb. 13, 1976–Nov. 19, 1978
Frederick H. Schultz	July 27, 1979–Feb. 11, 1982
Preston Martin	Mar. 31, 1982–Apr. 30, 1986
Manuel H. Johnson	Aug. 4, 1986–Aug. 3, 1990
David W. Mullins, Jr.	July 24, 1991–Feb. 14, 1994

EX-OFFICIO MEMBERS[1]

Secretaries of the Treasury

W.G. McAdoo	Dec. 23, 1913–Dec. 15, 1918
Carter Glass	Dec. 16, 1918–Feb. 1, 1920
David F. Houston	Feb. 2, 1920–Mar. 3, 1921
Andrew W. Mellon	Mar. 4, 1921–Feb. 12, 1932
Ogden L. Mills	Feb. 12, 1932–Mar. 4, 1933
William H. Woodin	Mar. 4, 1933–Dec. 31, 1933
Henry Morgenthau Jr.	Jan. 1, 1934–Feb. 1, 1936

Comptrollers of the Currency

John Skelton Williams	Feb. 2, 1914–Mar. 2, 1921
Daniel R. Crissinger	Mar. 17, 1921–Apr. 30, 1923
Henry M. Dawes	May 1, 1923–Dec. 17, 1924
Joseph W. McIntosh	Dec. 20, 1924–Nov. 20, 1928
J.W. Pole	Nov. 21, 1928–Sept. 20, 1932
J.F.T. O'Connor	May 11, 1933–Feb. 1, 1936

1. Under the provisions of the original Federal Reserve Act, the Federal Reserve Board was composed of seven members, including five appointive members, the Secretary of the Treasury, who was ex-officio chairman of the Board, and the Comptroller of the Currency. The original term of office was ten years, and the five original appointive members had terms of two, four, six, eight, and ten years respectively. In 1922 the number of appointive members was increased to six, and in 1933 the term of office was increased to twelve years. The Banking Act of 1935, approved Aug. 23, 1935, changed the name of the Federal Reserve Board to the Board of Governors of the Federal Reserve System and provided that the Board should be composed of seven appointive members; that the Secretary of the Treasury and the Comptroller of the Currency should continue to serve as members until Feb. 1, 1936, or until their successors were appointed and had qualified; and that thereafter the terms of members should be fourteen years and that the designation of Chairman and Vice Chairman of the Board should be for a term of four years.

2. Date after words "Resigned" and "Retired" denotes final day of service.

3. Successor took office on this date.

4. Chairman and Vice Chairman were designated Governor and Vice Governor before Aug. 23, 1935.

Financial and Business Statistics

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SECURITIES MARKETS AND CORPORATE FINANCE

Guide to Tabular Presentation

SYMBOLS AND ABBREVIATIONS

c	Corrected
e	Estimated
n.a.	Not available
n.e.c.	Not elsewhere classified
p	Preliminary
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)
0	Calculated to be zero
. . .	Cell not applicable
ATS	Automatic transfer service
BIF	Bank insurance fund
CD	Certificate of deposit
CMO	Collateralized mortgage obligation
FFB	Federal Financing Bank
FHA	Federal Housing Administration
FHLBB	Federal Home Loan Bank Board
FHLMC	Federal Home Loan Mortgage Corporation
FmHA	Farmers Home Administration
FNMA	Federal National Mortgage Association
FSLIC	Federal Savings and Loan Insurance Corporation
G-7	Group of Seven
G-10	Group of Ten
GNMA	Government National Mortgage Association
GDP	Gross domestic product
HUD	Department of Housing and Urban Development
IMF	International Monetary Fund
IO	Interest only
IPCs	Individuals, partnerships, and corporations
IRA	Individual retirement account
MMDA	Money market deposit account
NOW	Negotiable order of withdrawal
OCD	Other checkable deposit
OPEC	Organization of Petroleum Exporting Countries
OTS	Office of Thrift Supervision
PO	Principal only
REIT	Real estate investment trust
REMIC	Real estate mortgage investment conduit
RP	Repurchase agreement
RTC	Resolution Trust Corporation
SAIF	Savings Association Insurance Fund
SCO	Securitized credit obligation
SDR	Special drawing right
SIC	Standard Industrial Classification
SMSA	Standard metropolitan statistical area
VA	Veterans ~~Administration~~

GENERAL INFORMATION

In many of the tables, components do not sum to totals because of rounding.

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local government" also includes municipalities, special districts, and other political subdivisions.

1.10 RESERVES, MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES

Percent annual rate of change, seasonally adjusted[1]

Monetary or credit aggregate	1993				1993				
	Q1	Q2[r]	Q3[r]	Q4	Aug.[r]	Sept.[r]	Oct.	Nov.	Dec.
Reserves of depository institutions[2]									
1 Total	9.3	10.8	12.4	14.6	9.7	16.6	20.0[r]	12.8	1.7
2 Required	8.7	12.4	12.3	14.6	12.8	14.0	20.4	12.9	2.3
3 Nonborrowed	9.5	10.6	10.9	16.0	7.5	15.2	23.1[r]	16.9	1.8
4 Monetary base[3]	9.1	9.8	11.4	9.8	11.5	15.2	7.9[r]	8.8	4.7
Concepts of money, liquid assets, and debt[4]									
5 M1	6.5	10.6	13.0	10.6	10.1	13.6	10.4	10.2	5.6
6 M2	−1.9	2.1	3.0	2.4	1.1	4.1	.7	4.0	2.3
7 M3	−3.9	2.3	1.2	2.8	.6	3.9	2.0	3.7	2.8
8 L	−2.4	3.2	1.2	n.a.	2.7	−2.2	2.4	4.0	n.a.
9 Debt	4.0[r]	4.5	5.7	n.a.	5.5	5.3	3.7	6.2	n.a.
Nontransaction components									
10 In M2[5]	−5.4	−1.5	−1.3	−1.2	−2.9	−.1	−3.7	1.1	.7
11 In M3 only[6]	−14.2[r]	3.1	−8.5	4.5	−2.0	2.4	9.1[r]	2.0	6.1
Time and savings deposits									
Commercial banks									
12 Savings, including MMDAs	1.6	4.6	5.3	4.7	6.9	5.1	1.2[r]	8.2	4.9
13 Small time[7]	−7.9	−7.9	−10.8	−9.0	−11.2	−8.8	−9.6	−10.7	−2.6
14 Large time[8,9]	−20.2[r]	−.5	−8.7	−1.7	4.4	−5.7	3.5[r]	−10.2	1.3
Thrift institutions									
15 Savings, including MMDAs	−.2	.7	2.9	.5	1.7	.8	.0[r]	−.6	2.2
16 Small time[7]	−18.6	−10.4	−12.0	−12.6	−10.4	−12.0	−13.5[r]	−11.8	−15.7
17 Large time[8,9]	−15.5	−7.9	−4.1	−6.7	−9.3	−1.9	.0	−5.6	−35.8
Money market mutual funds									
18 General purpose and broker–dealer	−10.2	−1.7	−3.0	2.3	−6.1	−7.6	2.2	12.7	10.4
19 Institution-only	−14.1	.5	−12.6	6.7	−10.5	5.0	15.5	.6	12.8
Debt components[4]									
20 Federal	7.6	10.4	9.1	n.a.	8.7	7.1	−1.5	9.1	n.a.
21 Nonfederal	2.7[r]	2.4	4.4	n.a.	4.3	4.6	5.6	5.1	n.a.

1. Unless otherwise noted, rates of change are calculated from average amounts outstanding during preceding month or quarter.

2. Figures incorporate adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements. (See also table 1.20.)

3. The seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted total reserves (line 1), plus (2) the seasonally adjusted currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits, and Vault Cash" and for all weekly reporters whose vault cash exceeds their required reserves) the seasonally adjusted, break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.

4. Composition of the money stock measures and debt is as follows:

M1: (1) currency outside the U.S. Treasury, Federal Reserve Banks, and the vaults of depository institutions, (2) travelers checks of nonbank issuers, (3) demand deposits at all commercial banks other than those owed to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float, and (4) other checkable deposits (OCDs), consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions. Seasonally adjusted M1 is computed by summing currency, travelers checks, demand deposits, and OCDs, each seasonally adjusted separately.

M2: M1 plus (1) overnight (and continuing-contract) repurchase agreements (RPs) issued by all depository institutions and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, (2) savings (including MMDAs) and small time deposits (time deposits—including retail RPs—in amounts of less than $100,000), and (3) balances in both taxable and tax-exempt general-purpose and broker–dealer money market funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker–dealer), foreign governments and commercial banks, and the U.S. government. Seasonally adjusted M2 is computed by adjusting its non-M1 component as a whole and then adding this result to seasonally adjusted M1.

M3: M2 plus (1) large time deposits and term RP liabilities (in amounts of $100,000 or more) issued by all depository institutions, (2) term Eurodollars held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada, and (3) balances in both taxable and tax-exempt, institution-only money market funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also excluded is the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds. Seasonally adjusted M3 is computed by adjusting its non-M2 component as a whole and then adding this result to seasonally adjusted M2.

L: M3 plus the nonbank public holdings of U.S. savings bonds, short-term Treasury securities, commercial paper, and bankers acceptances, net of money market fund holdings of these assets. Seasonally adjusted L is computed by summing U.S. savings bonds, short-term Treasury securities, commercial paper, and bankers acceptances, each seasonally adjusted separately, and then adding this result to M3.

Debt: Debt of domestic nonfinancial sectors consists of outstanding credit market debt of the U.S. government, state and local governments, and private nonfinancial sectors. Private debt consists of corporate bonds, mortgages, consumer credit (including bank loans), other bank loans, commercial paper, bankers acceptances, and other debt instruments. Data are derived from the Federal Reserve Board's flow of funds accounts. Data on debt of domestic nonfinancial sectors are monthly averages, derived by averaging adjacent month-end levels. Growth rates for debt reflect adjustments for discontinuities over time in the levels of debt presented in other tables.

5. Sum of (1) overnight RPs and Eurodollars, (2) money market fund balances (general purpose and broker–dealer), (3) savings deposits (including MMDAs), and (4) small time deposits.

6. Sum of (1) large time deposits, (2) term RPs, (3) term Eurodollars of U.S. residents, and (4) money market fund balances (institution-only), less (5) a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds. This sum is seasonally adjusted as a whole.

7. Small time deposits—including retail RPs—are those issued in amounts of less than $100,000. All IRA and Keogh account balances at commercial banks and thrift institutions are subtracted from small time deposits.

8. Large time deposits are those issued in amounts of $100,000 or more, excluding those booked at international banking facilities.

9. Large time deposits at commercial banks less those held by money market funds, depository institutions, U.S. government and foreign banks and official institutions.

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT[1]

Millions of dollars

Factor	Average of daily figures			Average of daily figures for week ending on date indicated						
	1993			1993						
	Oct.	Nov.	Dec.	Nov. 17	Nov. 24	Dec. 1	Dec. 8	Dec. 15	Dec. 22	Dec. 29
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	362,732r	367,056	374,694	366,428	370,370	368,522	369,810	370,574	377,295	380,106
U.S. government securities[2]										
2 Bought outright—System account	320,632	326,769	332,413	327,122	327,755	327,285	332,435	333,227	332,605	331,751
3 Held under repurchase agreements	2,759	2,535	4,060	1,366	5,177	3,843	0	0	6,231	8,725
Federal agency obligations										
4 Bought outright	4,782	4,732	4,706	4,734	4,734	4,722	4,719	4,719	4,719	4,685
5 Held under repurchase agreements	390	206	265	121	450	229	0	0	100	803
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
7 Adjustment credit	11	19	22	2	10	25	2	21	30	24
8 Seasonal credit	196	72	30	71	65	51	34	37	30	21
9 Extended credit	0	0	0	0	0	0	0	0	0	0
10 Float	608r	722	829	788	889	1,077	909	671	866	1,023
11 Other Federal Reserve assets	33,355r	32,001	32,369	32,223	31,290	31,291	31,711	31,897	32,714	33,073
12 Gold stock	11,056	11,054	11,054	11,054	11,054	11,054	11,054	11,054	11,054	11,054
13 Special drawing rights certificate account	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018
14 Treasury currency outstanding	21,898	21,958	22,019	21,955	21,969	21,983	21,997	22,011	22,025	22,039
ABSORBING RESERVE FUNDS										
15 Currency in circulation	353,183	356,688	362,510	356,845	357,247	359,149	359,518	360,504	363,505	365,998
16 Treasury cash holdings	385	371	375	370	368	371	375	373	373	376
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	5,512	5,607	6,469	5,605	5,971	5,416	4,482	5,165	8,264	7,116
18 Foreign	288	434	238	520	220	393	197	221	252	258
19 Service-related balances and adjustments	6,260r	6,340	6,632	6,419	6,215	6,460	6,475	6,862	6,628	6,604
20 Other	298	296	293	301	286	309	295	306	303	258
21 Other Federal Reserve liabilities and capital	9,537	9,340	9,628	9,308	9,672	9,563	9,419	9,628	9,771	9,786
22 Reserve balances with Federal Reserve Banks[3]	28,242r	29,010	29,641	28,088	31,433	27,917	30,119	28,598	29,296	30,821

Factor	End-of-month figures			Wednesday figures						
	Oct.	Nov.	Dec.	Nov. 17	Nov. 24	Dec. 1	Dec. 8	Dec. 15	Dec. 22	Dec. 29
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	360,143r	372,593	384,223	367,131	371,640	367,445	362,984	372,203	382,976	383,659
U.S. government securities[2]										
2 Bought outright—System account	317,961	326,804	332,015	328,812	327,247	329,838	326,773	334,522	331,236	332,903
3 Held under repurchase agreements	3,592	8,013	12,187	812	6,428	898	0	0	11,675	11,418
Federal agency obligations										
4 Bought outright	4,734	4,719	4,638	4,734	4,734	4,719	4,719	4,719	4,719	4,638
5 Held under repurchase agreements	449	429	1,025	280	605	15	0	0	359	885
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
7 Adjustment credit	7	16	84	1	22	27	1	127	51	29
8 Seasonal credit	138	40	10	67	62	34	35	37	23	18
9 Extended credit	0	0	0	0	0	0	0	0	0	0
10 Float	383r	1,290	906	1,571	1,115	967	−376	823	1,775	167
11 Other Federal Reserve assets	32,878r	31,282	33,358	30,854	31,427	30,947	31,831	31,975	33,136	33,602
12 Gold stock	11,056	11,054	11,053	11,054	11,054	11,054	11,054	11,054	11,054	11,053
13 Special drawing rights certificate account	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018
14 Treasury currency outstanding	21,927	21,983	22,053	21,955	21,969	21,983	21,997	22,011	22,025	22,039
ABSORBING RESERVE FUNDS										
15 Currency in circulation	352,815	359,697	365,229	356,910	358,708	359,647	359,999	361,367	366,000	367,182
16 Treasury cash holdings	379	370	377	368	370	376	373	373	376	377
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	6,032	6,334	14,809	6,705	5,328	5,025	3,628	5,832	8,823	5,407
18 Foreign	390	596	386	239	231	281	175	278	288	286
19 Service-related balances and adjustments	6,339r	6,460	6,574	6,419	6,215	6,460	6,475	6,862	6,628	6,604
20 Other	325	297	397	300	281	317	295	314	269	245
21 Other Federal Reserve liabilities and capital	8,879	9,561	9,292	9,331	9,514	9,247	9,476	9,482	9,670	9,617
22 Reserve balances with Federal Reserve Banks[3]	25,985r	30,334	28,283	27,887	32,035	27,148	23,634	28,778	32,017	35,051

1. For amounts of cash held as reserves, see table 1.12.
2. Includes securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and excludes securities sold and scheduled to be bought back under matched sale–purchase transactions.
3. Excludes required clearing balances and adjustments to compensate for float.

1.12 RESERVES AND BORROWINGS Depository Institutions[1]

Millions of dollars

Reserve classification	1991	1992	1993	1993						
	Prorated monthly averages of biweekly averages									
	Dec.	Dec.	Dec.	June	July	Aug.	Sept.	Oct.[r]	Nov.	Dec.
1 Reserve balances with Reserve Banks[2]	26,659	25,368	29,382	26,462	26,562	26,564	27,274	28,297	29,018	29,382
2 Total vault cash[3]	32,510	34,535	36,812	34,106	34,535	34,516	35,217	35,184	35,655	36,812
3 Applied vault cash[4]	28,872	31,172	33,484	30,776	31,189	31,203	31,863	31,739	32,278	33,484
4 Surplus vault cash[5]	3,638	3,364	3,328	3,330	3,347	3,313	3,355	3,445	3,376	3,328
5 Total reserves[6]	55,532	56,540	62,866	57,238	57,750	57,767	59,136	60,036	61,296	62,866
6 Required reserves	54,553	55,385	61,796	56,328	56,661	56,815	58,046	58,947	60,195	61,796
7 Excess reserve balances at Reserve Banks[7]	979	1,155	1,070	911	1,089	952	1,090	1,089	1,101	1,070
8 Total borrowings at Reserve Banks[8]	192	124	82	181	244	352	428	285	89	82
9 Seasonal borrowings	38	18	31	142	210	234	236	192	75	31
10 Extended credit[9]	1	1	0	0	0	0	0	0	0	0
	Biweekly averages of daily figures for weeks ending on date indicated									
	1993									
	Sept. 1	Sept. 15	Sept. 29	Oct. 13	Oct. 27[r]	Nov. 10[r]	Nov. 24	Dec. 8	Dec. 22	Jan. 5
1 Reserve balances with Reserve Banks[2]	26,564	27,719	26,837	27,843	28,798	28,017	29,742	28,999	28,950	30,395
2 Total vault cash[3]	33,879	35,332	35,157	35,805	34,313	36,216	34,894	36,494	37,202	36,489
3 Applied vault cash[4]	30,693	31,999	31,781	32,278	30,946	32,767	31,566	33,125	33,821	33,279
4 Surplus vault cash[5]	3,187	3,333	3,377	3,527	3,368	3,449	3,328	3,369	3,381	3,210
5 Total reserves[6]	57,257	59,718	58,618	60,121	59,744	60,784	61,308	62,124	62,771	63,674
6 Required reserves	56,136	58,845	57,318	58,985	58,692	59,722	60,205	60,962	61,880	62,407
7 Excess reserve balances at Reserve Banks[7]	1,121	874	1,300	1,137	1,052	1,062	1,102	1,162	891	1,267
8 Total borrowings at Reserve Banks[8]	305	544	321	420	205	132	74	56	59	142
9 Seasonal borrowings	246	226	247	222	189	105	68	43	34	16
10 Extended credit[9]	0	0	0	0	0	0	0	0	0	0

1. Data in this table also appear in the Board's H.3 (502) weekly statistical release. For ordering address, see inside front cover.
2. Excludes required clearing balances and adjustments to compensate for float and includes other off-balance-sheet "as-of" adjustments.
3. Total "lagged" vault cash held by depository institutions subject to reserve requirements. Dates refer to the maintenance periods during which the vault cash can be used to satisfy reserve requirements. The maintenance period for weekly reporters ends sixteen days after the lagged computation period during which the vault cash is held. Before Nov. 25, 1992, the maintenance period ended thirty days after the lagged computation period.
4. All vault cash held during the lagged computation period by "bound" institutions (that is, those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound" institutions (that is, those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.
5. Total vault cash (line 2) less applied vault cash (line 3).
6. *Reserve balances with Federal Reserve Banks* (line 1) plus applied vault cash (line 3).
7. Total reserves (line 5) less required reserves (line 6).
8. Also includes adjustment credit.
9. Consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as with traditional short-term adjustment credit, the money market impact of extended credit is similar to that of nonborrowed reserves.

1.13 SELECTED BORROWINGS IN IMMEDIATELY AVAILABLE FUNDS Large Banks[1]

Millions of dollars, averages of daily figures

Source and maturity	1993, week ending Monday								
	Nov. 1	Nov. 8	Nov. 15	Nov. 22	Nov. 29	Dec. 6	Dec. 13	Dec. 20	Dec. 27
Federal funds purchased, repurchase agreements, and other selected borrowings									
From commercial banks in the United States									
1 For one day or under continuing contract	71,872	72,374	74,470	71,363	72,462	75,691	76,163	72,673	68,417
2 For all other maturities	13,186	13,106	13,725	14,109	15,288	14,280	15,005	14,583	16,880
From other depository institutions, foreign banks and official institutions, and U.S. government agencies									
3 For one day or under continuing contract	18,901	17,810	18,334	19,661	20,951	16,875	17,942	17,699	16,918
4 For all other maturities	21,742	23,608	24,776	24,741	25,832	24,839	25,404	26,238	26,977
Repurchase agreements on U.S. government and federal agency securities									
Brokers and nonbank dealers in securities									
5 For one day or under continuing contract	17,286	17,051	19,065	16,313	13,286	18,896	17,411	15,779	13,248
6 For all other maturities	40,504	42,218	41,454	40,533	39,820	39,409	41,429	39,773	36,999
All other customers									
7 For one day or under continuing contract	30,126	31,327	31,972	32,409	29,779	32,719	31,242	29,752	26,641
8 For all other maturities	14,262	13,512	13,492	13,767	17,064	13,246	14,431	14,644	22,013
MEMO									
Federal funds loans and resale agreements in immediately available funds in maturities of one day or under continuing contract									
9 To commercial banks in the United States	42,365	39,656	42,090	37,366	43,412	44,822	42,230	43,399	39,727
10 To all other specified customers[2]	26,175	29,119	29,407	27,794	29,747	28,140	26,980	26,438	22,123

1. Banks with assets of $4 billion or more as of Dec. 31, 1988.
Data in this table also appear in the Board's H.5 (507) weekly statistical release. For ordering address, see inside front cover.

2. Brokers and nonbank dealers in securities, other depository institutions, foreign banks and official institutions, and U.S. government agencies.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

Federal Reserve Bank	Adjustment credit[1]			Seasonal credit[2]			Extended credit[3]		
	On 2/4/94	Effective date	Previous rate	On 2/4/94	Effective date	Previous rate	On 2/4/94	Effective date	Previous rate
Boston	3	7/2/92	3.5	3.10	2/3/94	3.10	3.60	2/3/94	3.60
New York		7/2/92			2/3/94			2/3/94	
Philadelphia		7/2/92			2/3/94			2/3/94	
Cleveland		7/6/92			2/3/94			2/3/94	
Richmond		7/2/92			2/3/94			2/3/94	
Atlanta		7/2/92			2/3/94			2/3/94	
Chicago		7/2/92			2/3/94			2/3/94	
St. Louis		7/7/92			2/3/94			2/3/94	
Minneapolis		7/2/92			2/3/94			2/3/94	
Kansas City		7/2/92			2/3/94			2/3/94	
Dallas		7/2/92			2/3/94			2/3/94	
San Francisco	3	7/2/92	3.5	3.10	2/3/94	3.10	3.60	2/3/94	3.60

Range of rates for adjustment credit in recent years[4]

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1977	6	6
1978—Jan. 9	6–6.5	6.5
20	6.5	6.5
May 11	6.5–7	7
12	7	7
July 3	7–7.25	7.25
10	7.25	7.25
Aug. 21	7.75	7.75
Sept. 22	8	8
Oct. 16	8–8.5	8.5
20	8.5	8.5
Nov. 1	8.5–9.5	9.5
3	9.5	9.5
1979—July 20	10	10
Aug. 17	10–10.5	10.5
20	10.5	10.5
Sept. 19	10.5–11	11
21	11	11
Oct. 8	11–12	12
10	12	12
1980—Feb. 15	12–13	13
19	13	13
May 29	12–13	13
30	12	12
June 13	11–12	11
16	11	11
29	10	10
July 28	10–11	10
Sept. 26	11	11
Nov. 17	12	12
Dec. 5	12–13	13

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
1981—May 5	13–14	14
8	14	14
Nov. 2	13–14	13
6	13	13
Dec. 4	12	12
1982—July 20	11.5–12	11.5
23	11.5	11.5
Aug. 2	11–11.5	11
3	11	11
16	10.5	10.5
27	10–10.5	10
30	10	10
Oct. 12	9.5–10	9.5
13	9.5	9.5
Nov. 22	9–9.5	9
26	9	9
Dec. 14	8.5–9	9
15	8.5–9	8.5
17	8.5	8.5
1984—Apr. 9	8.5–9	9
13	9	9
Nov. 21	8.5–9	8.5
26	8.5	8.5
Dec. 24	8	8
1985—May 20	7.5–8	7.5
24	7.5	7.5
1986—Mar. 7	7–7.5	7
10	7	7
Apr. 21	6.5–7	6.5
July 11	6	6

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
1986—Aug. 21	5.5–6	5.5
22	5.5	5.5
1987—Sept. 4	5.5–6	6
11	6	6
1988—Aug. 9	6–6.5	6.5
11	6.5	6.5
1989—Feb. 24	6.5–7	7
27	7	7
1990—Dec. 19	6.5	6.5
1991—Feb. 1	6–6.5	6
4	6	6
Apr. 30	5.5–6	5.5
May 2	5.5	5.5
Sept. 13	5–5.5	5
17	5	5
Nov. 6	4.5–5	4.5
7	4.5	4.5
Dec. 20	3.5–4.5	3.5
24	3.5	3.5
1992—July 2	3–3.5	3
7	3	3
In effect Feb. 4, 1994	3	3

1. Available on a short-term basis to help depository institutions meet temporary needs for funds that cannot be met through reasonable alternative sources. The highest rate established for loans to depository institutions may be charged on adjustment-credit loans of unusual size that result from a major operating problem at the borrower's facility.

2. Available to help relatively small depository institutions meet regular seasonal needs for funds that arise from a clear pattern of intrayearly movements in their deposits and loans and that cannot be met through special industry lenders. The discount rate on seasonal credit takes into account rates on market sources of funds and ordinarily is reestablished on the first business day of each two-week reserve maintenance period; however, it is never less than the discount rate applicable to adjustment credit.

3. May be made available to depository institutions when similar assistance is not reasonably available from other sources, including special industry lenders. Such credit may be provided when exceptional circumstances (including sustained deposit drains, impaired access to money market funds, or sudden deterioration in loan repayment performance) or practices involve only a particular institution, or to meet the needs of institutions experiencing difficulties adjusting to changing market conditions over a longer period (particularly at times of deposit disintermediation). The discount rate applicable to adjustment credit ordinarily is charged on extended-credit loans outstanding less than thirty days; however, at the discretion of the Federal Reserve Bank, this time period may be shortened. Beyond this initial period, a flexible rate somewhat above rates on market sources of funds is charged. The rate ordinarily is reestablished on the first business day of each two-week reserve maintenance period, but it is never less than the discount rate applicable to adjustment credit plus 50 basis points.

4. For earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914–1941*, and *1941–1970*; and the *Annual Statistical Digest, 1970–1979*.

In 1980 and 1981, the Federal Reserve applied a surcharge to short-term adjustment-credit borrowings by institutions with deposits of $500 million or more that had borrowed in successive weeks or in more than four weeks in a calendar quarter. A 3 percent surcharge was in effect from Mar. 17, 1980, through May 7, 1980. A surcharge of 2 percent was reimposed on Nov. 17, 1980; the surcharge was subsequently raised to 3 percent on Dec. 5, 1980, and to 4 percent on May 5, 1981. The surcharge was reduced to 3 percent effective Sept. 22, 1981, and to 2 percent effective Oct. 12, 1981. As of Oct. 1, 1981, the formula for applying the surcharge was changed from a calendar quarter to a moving thirteen-week period. The surcharge was eliminated on Nov. 17, 1981.

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS[1]

Type of deposit[2]	Requirement	
	Percentage of deposits	Effective date
Net transaction accounts[3]		
1 $0 million–$51.9 million	3	12/21/93
2 More than $51.9 million[4]	10	12/21/93
3 Nonpersonal time deposits[5]	0	12/27/90
4 Eurocurrency liabilities[6]	0	12/27/90

1. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. Nonmember institutions may maintain reserve balances with a Federal Reserve Bank indirectly on a pass-through basis with certain approved institutions. For previous reserve requirements, see earlier editions of the *Annual Report* or the *Federal Reserve Bulletin*. Under provisions of the Monetary Control Act, depository institutions include commercial banks, mutual savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge Act corporations.

2. The Garn–St Germain Depository Institutions Act of 1982 (Public Law 97-320) requires that $2 million of reservable liabilities of each depository institution be subject to a zero percent reserve requirement. The Board is to adjust the amount of reservable liabilities subject to this zero percent reserve requirement each year for the succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is to be made in the event of a decrease. On Dec. 21, 1993, the exemption was raised from $3.8 million to $4.0 million. The exemption applies in the following order: (1) net negotiable order of withdrawal (NOW) accounts (NOW accounts less allowable deductions); and (2) net other transaction accounts. The exemption applies only to accounts that would be subject to a 3 percent reserve requirement.

3. Include all deposits against which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, and telephone and preauthorized transfers in excess of three per month for the purpose of making payments to third persons or others. However, money market deposit accounts (MMDAs) and similar accounts subject to the rules that permit no more than six preauthorized, automatic, or other transfers per month, of which no more than three may be checks, are not transaction accounts (such accounts are savings deposits).

The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage change in transaction accounts held by all depository institutions, determined as of June 30 each year. Effective Dec. 21, 1993, for institutions reporting quarterly and weekly, the amount was increased from $46.8 million to $51.9 million.

4. The reserve requirement was reduced from 12 percent to 10 percent on Apr. 2, 1992, for institutions that report weekly, and on Apr. 16, 1992, for institutions that report quarterly.

5. For institutions that report weekly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to 1½ percent for the maintenance period that began Dec. 13, 1990, and to zero for the maintenance period that began Dec. 27, 1990. The reserve requirement on nonpersonal time deposits with an original maturity of 1½ years or more has been zero since Oct. 6, 1983.

For institutions that report quarterly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to zero on Jan. 17, 1991.

6. The reserve requirement on Eurocurrency liabilities was reduced from 3 percent to zero in the same manner and on the same dates as was the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years (see note 4).

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS[1]

Millions of dollars

Type of transaction and maturity	1990	1991	1992	1993 May	June	July	Aug.	Sept.	Oct.	Nov.
U.S. TREASURY SECURITIES										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	24,739	20,158	14,714	349	7,280	0	902	366	1,396	5,931
2 Gross sales	7,291	120	1,628	0	0	0	0	0	0	0
3 Exchanges	241,086	277,314	308,699	26,610	24,821	35,943	27,775	31,128	25,783	27,641
4 Redemptions	4,400	1,000	1,600	0	0	0	0	0	468	0
Others within one year										
5 Gross purchases	425	3,043	1,096	0	0	0	100	411	0	0
6 Gross sales	0	0	0	0	0	0	0	0	0	0
7 Maturity shifts	25,638	24,454	36,662	4,108	4,002	0	1,497	3,074	913	5,158
8 Exchanges	-27,424	-28,090	-30,543	-4,013	-2,152	0	-5,491	-1,861	-1,566	-7,641
9 Redemptions	0	1,000	0	0	0	0	0	0	0	0
One to five years										
10 Gross purchases	250	6,583	13,118	0	0	200	1,100	2,400	0	100
11 Gross sales	200	0	0	0	0	0	0	0	0	0
12 Maturity shifts	-21,770	-21,211	-34,478	-3,652	-4,002	666	-834	-3,074	-31	-4,689
13 Exchanges	25,410	24,594	25,811	3,245	2,152	0	3,866	1,861	1,566	5,341
Five to ten years										
14 Gross purchases	0	1,280	2,818	0	0	0	500	797	0	0
15 Gross sales	100	0	0	0	0	0	0	0	0	0
16 Maturity shifts	-2,186	-2,037	-1,915	-333	0	-666	-432	0	-882	-272
17 Exchanges	789	2,894	3,532	468	0	0	1,100	0	0	2,300
More than ten years										
18 Gross purchases	0	375	2,333	0	0	0	100	717	0	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shifts	-1,681	-1,209	-269	-123	0	0	-231	0	0	-197
21 Exchanges	1,226	600	1,200	300	0	0	525	0	0	0
All maturities										
22 Gross purchases	25,414	31,439	34,079	349	7,280	200	2,702	4,691	1,396	6,031
23 Gross sales	7,591	120	1,628	0	0	0	0	0	0	0
24 Redemptions	4,400	1,000	1,600	0	0	0	0	0	468	0
Matched transactions										
25 Gross sales	1,369,052	1,570,456	1,482,467	124,462	111,726	115,504	136,037	124,898	115,160	109,941
26 Gross purchases	1,363,434	1,571,534	1,480,140	123,227	113,095	117,074	135,705	122,578	112,837	112,772
Repurchase agreements										
27 Gross purchases	219,632	310,084	378,374	33,987	53,051	41,190	53,053	62,905	27,693	38,493
28 Gross sales	202,551	311,752	386,257	28,640	43,342	56,246	48,263	61,399	30,397	34,072
29 Net change in U.S. Treasury securities	24,886	29,729	20,642	4,461	18,357	-13,286	7,160	3,878	-4,099	13,283
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	0	0	0	0	0	0	0	0	0	0
31 Gross sales	0	5	0	0	0	0	0	0	0	0
32 Redemptions	183	292	632	41	22	366	125	35	70	15
Repurchase agreements										
33 Gross purchases	41,836	22,807	14,565	2,105	2,968	3,479	2,485	9,810	3,812	2,841
34 Gross sales	40,461	23,595	14,486	2,105	2,019	4,428	2,415	7,734	5,509	2,861
35 Net change in federal agency obligations	1,192	-1,085	-554	-41	927	-1,315	-55	2,041	-1,767	-35
36 Total net change in System Open Market Account	**26,078**	**28,644**	**20,089**	**4,420**	**19,284**	**-14,601**	**7,105**	**5,919**	**-5,866**	**13,248**

1. Sales, redemptions, and negative figures reduce holdings of the System Open Market Account; all other figures increase such holdings.

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements[1]

Millions of dollars

Account	Wednesday 1993					End of month 1993		
	Dec. 1	Dec. 8	Dec. 15	Dec. 22	Dec. 29	Oct. 31	Nov. 30	Dec. 31
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,054	11,054	11,054	11,054	11,053	11,056	11,054	11,053
2 Special drawing rights certificate account	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018
3 Coin	368	373	383	366	358	406	372	372
Loans								
4 To depository institutions	61	36	164	74	47	145	55	94
5 Other	0	0	0	0	0	0	0	0
6 Acceptances held under repurchase agreements	0	0	0	0	0	0	0	0
Federal agency obligations								
7 Bought outright	4,719	4,719	4,719	4,719	4,638	4,734	4,719	4,638
8 Held under repurchase agreements	15	0	0	359	885	449	429	1,025
9 **Total U.S. Treasury securities**	**330,736**	**326,773**	**334,522**	**342,911**	**344,321**	**321,553**	**334,817**	**344,202**
10 Bought outright[2]	329,838	326,773	334,522	331,236	332,903	317,961	326,804	332,015
11 Bills	162,832	155,126	162,874	159,588	161,255	151,055	159,798	160,368
12 Notes	128,453	132,076	132,076	132,076	132,076	128,128	128,453	132,076
13 Bonds	38,553	39,572	39,572	39,572	39,572	38,778	38,553	39,572
14 Held under repurchase agreements	898	0	0	11,675	11,418	3,592	8,013	12,187
15 **Total loans and securities**	**335,531**	**331,529**	**339,405**	**348,064**	**349,891**	**326,882**	**340,020**	**349,960**
16 Items in process of collection	6,594	6,624	7,081	7,594	5,607	5,052	7,808	6,454
17 Bank premises	1,050	1,051	1,053	1,053	1,054	1,048	1,050	1,055
Other assets								
18 Denominated in foreign currencies[3]	22,446	22,472	22,486	22,538	22,550	22,580	22,443	22,340
19 All other[4]	7,439	8,277	8,493	9,568	10,048	9,229	7,692	9,999
20 **Total assets**	**392,500**	**389,398**	**397,973**	**408,255**	**408,578**	**384,270**	**398,458**	**409,251**
LIABILITIES								
21 Federal Reserve notes	338,407	338,747	340,111	344,717	345,878	331,672	338,456	343,925
22 **Total deposits**	**38,745**	**35,494**	**42,407**	**47,877**	**48,036**	**39,169**	**43,277**	**50,543**
23 Depository institutions	33,123	31,397	35,983	38,496	42,097	32,422	36,050	34,951
24 U.S. Treasury—General account	5,025	3,628	5,832	8,823	5,407	6,032	6,334	14,809
25 Foreign—Official accounts	281	175	278	288	286	390	596	386
26 Other	317	295	314	269	245	325	297	397
27 Deferred credit items	6,100	5,681	5,973	5,991	5,048	4,550	7,165	5,491
28 Other liabilities and accrued dividends[5]	2,461	2,414	2,408	2,570	2,533	2,482	2,514	2,489
29 **Total liabilities**	**385,713**	**382,335**	**390,899**	**401,155**	**401,495**	**377,872**	**391,411**	**402,449**
CAPITAL ACCOUNTS								
30 Capital paid in	3,383	3,389	3,394	3,377	3,377	3,338	3,367	3,401
31 Surplus	3,054	3,054	3,054	3,054	3,054	2,984	3,054	3,401
32 Other capital accounts	350	620	626	669	652	75	626	0
33 **Total liabilities and capital accounts**	**392,500**	**389,398**	**397,973**	**408,255**	**408,578**	**384,270**	**398,458**	**409,251**
MEMO								
34 Marketable U.S. Treasury securities held in custody for foreign and international accounts	346,488	346,455	345,158	352,077	348,827	333,735	346,718	350,906
	Federal Reserve note statement							
35 Federal Reserve notes outstanding (issued to Banks)	406,346	409,059	410,795	411,312	409,832	397,576	405,827	409,265
36 LESS: Held by Federal Reserve Banks	67,939	70,312	70,684	66,595	63,954	65,904	67,371	65,339
37 Federal Reserve notes, net	338,407	338,747	340,111	344,717	345,878	331,672	338,456	343,925
Collateral held against notes, net:								
38 Gold certificate account	11,054	11,054	11,054	11,054	11,053	11,056	11,054	11,053
39 Special drawing rights certificate account	8,018	8,018	8,018	8,018	8,018	8,018	8,018	8,018
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. Treasury and agency securities	319,335	319,675	321,040	325,645	326,806	312,599	319,384	324,854
42 **Total collateral**	**338,407**	**338,747**	**340,111**	**344,717**	**345,878**	**331,672**	**338,456**	**343,925**

1. Some of the data in this table also appear in the Board's H.4.1 (503) weekly statistical release. For ordering address, see inside front cover.
2. Includes securities loaned—fully guaranteed by U.S. Treasury securities pledged with Federal Reserve Banks—and excludes securities sold and scheduled to be bought back under matched sale–purchase transactions.
3. Valued monthly at market exchange rates.
4. Includes special investment account at the Federal Reserve Bank of Chicago in Treasury bills maturing within ninety days.
5. Includes exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign exchange commitments.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding

Millions of dollars

Type of holding and maturity	Wednesday					End of month		
	1993					1993		
	Dec. 1	Dec. 8	Dec. 15	Dec. 22	Dec. 29	Oct. 29	Nov. 30	Dec. 31
1 **Total loans**	**61**	**36**	**164**	**74**	**47**	**145**	**56**	**94**
2 Within fifteen days[1]	30	4	132	73	47	71	31	93
3 Sixteen days to ninety days	31	33	32	1	0	75	25	1
4 Ninety-one days to one year	0	0	0	0	0	0	0	0
5 **Total acceptances**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
6 Within fifteen days[1]	0	0	0	0	0	0	0	0
7 Sixteen days to ninety days	0	0	0	0	0	0	0	0
8 Ninety-one days to one year	0	0	0	0	0	0	0	0
9 **Total U.S. Treasury securities**	**330,736**	**326,773**	**334,522**	**342,911**	**344,321**	**317,961**	**326,804**	**332,015**
10 Within fifteen days[1]	18,768	14,989	17,258	24,430	30,068	3,625	6,211	9,262
11 Sixteen days to ninety days	76,052	71,037	79,724	76,959	72,356	85,863	84,677	81,344
12 Ninety-one days to one year	104,601	105,002	101,796	105,777	106,153	100,828	104,601	105,184
13 One year to five years	76,750	79,346	79,346	79,346	79,346	74,911	76,750	79,826
14 Five years to ten years	23,651	24,659	24,659	24,659	24,659	21,623	23,651	24,659
15 More than ten years	30,913	31,739	31,739	31,739	31,739	31,111	30,913	31,739
16 **Total federal agency obligations**	**4,734**	**4,719**	**4,719**	**5,078**	**5,523**	**4,734**	**4,719**	**4,638**
17 Within fifteen days[1]	40	25	81	620	1,065	104	290	180
18 Sixteen days to ninety days	816	816	735	555	565	651	498	565
19 Ninety-one days to one year	1,081	1,081	1,081	1,081	1,078	1,105	1,127	1,078
20 One year to five years	2,067	2,067	2,112	2,112	2,105	2,139	2,074	2,105
21 Five years to ten years	589	589	569	569	569	594	589	569
22 More than ten years	142	142	142	142	142	142	142	142

1. Holdings under repurchase agreements are classified as maturing within fifteen days in accordance with maximum maturity of the agreements.

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE[1]

Billions of dollars, averages of daily figures

Item	1990 Dec.	1991 Dec.	1992 Dec.	1993 Dec.	1993 May	June	July	Aug.	Sept.	Oct.[r]	Nov.	Dec.
	Seasonally adjusted											
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[2]												
1 Total reserves[3]	41.77	45.53	54.35	60.54	56.88	57.12	57.57	58.03	58.84	59.82	60.46	60.54
2 Nonborrowed reserves[4]	41.44	45.34	54.23	60.46	56.76	56.94	57.32	57.68	58.41	59.53	60.37	60.46
3 Nonborrowed reserves plus extended credit[5]	41.46	45.34	54.23	60.46	56.76	56.94	57.32	57.68	58.41	59.53	60.37	60.46
4 Required reserves	40.10	44.56	53.20	59.47	55.88	56.21	56.48	57.08	57.75	58.73	59.36	59.47
5 Monetary base[6]	293.19	317.17	350.80	386.07	364.77	368.07	370.98	374.53	379.26	381.77	384.58	386.07
	Not seasonally adjusted											
6 Total reserves[7]	43.07	46.98	56.06	62.42	55.88	56.96	57.42	57.38	58.69	59.53	60.73	62.42
7 Nonborrowed reserves	42.74	46.78	55.93	62.34	55.76	56.78	57.17	57.03	58.26	59.24	60.64	62.34
8 Nonborrowed reserves plus extended credit[5]	42.77	46.78	55.93	62.34	55.76	56.78	57.17	57.03	58.26	59.24	60.64	62.34
9 Required reserves[8]	41.40	46.00	54.90	61.35	54.88	56.05	56.33	56.43	57.60	58.44	59.62	61.35
10 Monetary base[9]	296.68	321.07	354.55	390.58	364.08	368.73	372.02	374.10	377.75	380.82	384.30	390.58
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS[10]												
11 Total reserves[11]	59.12	55.53	56.54	62.87	56.10	57.24	57.75	57.77	59.14	60.04	61.30	62.87
12 Nonborrowed reserves	58.80	55.34	56.42	62.78	55.98	57.06	57.51	57.42	58.71	59.75	61.21	62.78
13 Nonborrowed reserves plus extended credit[5]	58.82	55.34	56.42	62.78	55.98	57.06	57.51	57.42	58.71	59.75	61.21	62.78
14 Required reserves	57.46	54.55	55.39	61.80	55.10	56.33	56.66	56.82	58.05	58.95	60.20	61.80
15 Monetary base[12]	313.70	333.61	360.90	397.59	370.46	375.19	378.48	380.53	384.25	387.51	391.12	397.59
16 Excess reserves[13]	1.66	.98	1.16	1.07	1.00	.91	1.09	.95	1.09	1.09	1.10	1.07
17 Borrowings from the Federal Reserve	.33	.19	.12	.08	.12	.18	.24	.35	.43	.29	.09	.08

1. Latest monthly and biweekly figures are available from the Board's H.3 (502) weekly statistical release. Historical data and estimates of the impact on required reserves of changes in reserve requirements are available from the Monetary and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

2. Figures reflect adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements. (See also table 1.10)

3. Seasonally adjusted, break-adjusted total reserves equal seasonally adjusted, break-adjusted required reserves (line 4) plus excess reserves (line 16).

4. Seasonally adjusted, break-adjusted nonborrowed reserves equal seasonally adjusted, break-adjusted total reserves (line 1) less total borrowings of depository institutions from the Federal Reserve (line 17).

5. Extended credit consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as with traditional short-term adjustment credit, the money market impact of extended credit is similar to that of nonborrowed reserves.

6. The seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted total reserves (line 1), plus (2) the seasonally adjusted currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the seasonally adjusted, break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.

7. Break-adjusted total reserves equal break-adjusted required reserves (line 9) plus excess reserves (line 16).

8. To adjust required reserves for discontinuities that are due to regulatory changes in reserve requirements, a multiplicative procedure is used to estimate what required reserves would have been in past periods had current reserve requirements been in effect. Break-adjusted required reserves include required reserves against transactions deposits and nonpersonal time and savings deposits (but not reservable nondeposit liabilities).

9. The break-adjusted monetary base equals (1) break-adjusted total reserves (line 6), plus (2) the (unadjusted) currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.

10. Reflects actual reserve requirements, including those on nondeposit liabilities, with no adjustments to eliminate the effects of discontinuities associated with changes in reserve requirements.

11. Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements.

12. The monetary base, not break-adjusted and not seasonally adjusted, consists of (1) total reserves (line 11), plus (2) required clearing balances and adjustments to compensate for float at Federal Reserve Banks, plus (3) the currency component of the money stock, plus (4) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the difference between current vault cash and the amount applied to satisfy current reserve requirements. Since the introduction of changes in reserve requirements (CRR), currency and vault cash figures have been measured over the computation periods ending on Mondays.

13. Unadjusted total reserves (line 11) less unadjusted required reserves (line 14).

1.21 MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES[1]

Billions of dollars, averages of daily figures

Item	1990 Dec.	1991 Dec.	1992 Dec.	1993 Dec.	1993			
					Sept.[r]	Oct.[r]	Nov.	Dec.
	Seasonally adjusted							
Measures[2]								
1 M1	827.2	899.3	1,026.6	1,131.2	1,106.8	1,116.4	1,125.9	1,131.2
2 M2	3,345.5	3,445.8	3,494.8	3,551.7	3,531.0	3,533.2	3,545.0	3,551.7
3 M3	4,116.7[r]	4,168.1	4,163.4[r]	4,207.7	4,177.7	4,184.8	4,197.8	4,207.7
4 L	4,966.6	4,982.3	5,040.4[r]	n.a.	5,066.2	5,076.5	5,093.4	n.a.
5 Debt	10,670.1	11,145.5[r]	11,721.1[r]	n.a.	12,141.9	12,179.2	12,241.8	n.a.
M1 components								
6 Currency[3]	246.7	267.2	292.3	321.5	316.4	318.2	320.0	321.5
7 Travelers checks[4]	7.8	7.8	8.1	8.0	7.8	7.9	8.0	8.0
8 Demand deposits[5]	278.2	290.5	340.8	386.1	376.6	380.2	385.5	386.1
9 Other checkable deposits[6]	294.5	333.8	385.2	415.7	406.0	410.1	412.5	415.7
Nontransaction components								
10 In M2[7]	2,518.3	2,546.6	2,468.2[r]	2,420.5	2,424.2	2,416.8	2,419.1	2,420.5
11 In M3[8]	771.3	722.3	668.6[r]	656.0	646.7	651.6	652.7	656.0
Commercial banks								
12 Savings deposits, including MMDAs	582.2	666.2	756.1	786.5	777.2	778.0	783.3	786.5
13 Small time deposits[9]	610.3	601.5	506.9	466.8	475.8	472.0	467.8	466.8
14 Large time deposits[10, 11]	368.8	341.3	288.6[r]	269.7	270.9	271.7	269.4	269.7
Thrift institutions								
15 Savings deposits, including MMDAs	338.6	376.3	429.9	432.1	431.5	431.5	431.3	432.1
16 Small time deposits[9]	562.0	463.2	360.4	316.7	327.8	324.1	320.9	316.7
17 Large time deposits[10]	120.9	83.4	67.5	61.7	63.9	63.9	63.6	61.7
Money market mutual funds								
18 General purpose and broker–dealer	350.5	363.9	342.3	336.4	329.4	330.0	333.5	336.4
19 Institution-only	135.9	182.1	202.3	198.8	194.1	196.6	196.7	198.8
Debt components								
20 Federal debt	2,490.7	2,763.8	3,068.4	n.a.	3,270.4	3,266.3	3,291.2	n.a.
21 Nonfederal debt	8,179.4	8,381.7[r]	8,652.7[r]	n.a.	8,871.5	8,912.9	8,950.6	n.a.
	Not seasonally adjusted							
Measures[2]								
22 M1	843.7	916.4	1,045.7	1,152.9	1,098.5	1,111.1	1,128.6	1,152.9
23 M2	3,357.0	3,457.9	3,509.0[r]	3,568.8	3,517.4	3,527.2	3,548.4	3,568.8
24 M3	4,126.3	4,178.1	4,175.5[r]	4,222.5	4,165.0	4,174.8	4,203.7	4,222.5
25 L	4,988.0	5,004.2	5,064.9[r]	n.a.	5,054.8	5,065.8	5,107.2	n.a.
26 Debt	10,667.7	11,144.6[r]	11,722.0[r]	n.a.	12,110.2	12,152.2	12,232.1	n.a.
M1 components								
27 Currency[3]	249.5	269.9	295.0	324.9	314.8	317.4	319.9	324.9
28 Travelers checks[4]	7.4	7.4	7.8	7.6	8.2	8.0	7.7	7.6
29 Demand deposits[5]	289.9	302.9	355.2	402.3	373.1	381.0	390.7	402.3
30 Other checkable deposits[6]	296.9	336.3	387.7	418.0	402.4	404.7	410.4	418.0
Nontransaction components								
31 In M2[7]	2,513.2	2,541.5	2,463.3[r]	2,415.9	2,418.9	2,416.1	2,419.7	2,415.9
32 In M3[8]	769.3	720.2[r]	666.4[r]	653.8	647.6	647.7	655.4	653.8
Commercial banks								
33 Savings deposits, including MMDAs	580.1	663.3	752.3	782.3	775.0	776.1	782.4	782.3
34 Small time deposits[9]	610.5	602.0	507.7	467.6	476.5	473.1	468.5	467.6
35 Large time deposits[10, 11]	367.7	340.1	287.5[r]	268.7	271.2	270.8	269.2	268.7
Thrift institutions								
36 Savings deposits, including MMDAs	337.3	374.7	427.8	429.8	430.3	430.5	430.8	429.8
37 Small time deposits[9]	562.1	463.6	360.9	317.3	328.3	324.9	321.4	317.3
38 Large time deposits[10]	120.6	83.1	67.3	61.5	64.0	63.7	63.6	61.5
Money market mutual funds								
39 General purpose and broker–dealer	348.4	361.5	340.0	334.2	326.8	327.1	331.7	334.2
40 Institution-only	136.2	182.4	202.4	198.9	190.7	192.4	197.1	198.9
Repurchase agreements and Eurodollars								
41 Overnight	74.7	76.3	74.7	84.7	81.9	84.4	84.9	84.7
42 Term	158.3	130.1	126.7[r]	143.1	141.6	140.4	144.5	143.1
Debt components								
43 Federal debt	2,491.3	2,765.0	3,069.8	n.a.	3,251.9	3,249.4	3,287.0	n.a.
44 Nonfederal debt	8,176.3	8,379.7[r]	8,652.2[r]	n.a.	8,858.2	8,902.8	8,945.1	n.a.

Footnotes appear on following page.

NOTES TO TABLE 1.21

1. Latest monthly and weekly figures are available from the Board's H.6 (508) weekly statistical release. Historical data are available from the Money and Reserves Projection Section, *Division of Monetary Affairs, Board of Governors of* the Federal Reserve System, Washington, DC 20551.

2. Composition of the money stock measures and debt is as follows:

M1: (1) currency outside the U.S. Treasury, Federal Reserve Banks, and the vaults of depository institutions, (2) travelers checks of nonbank issuers, (3) demand deposits at all commercial banks other than those owed to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float, and (4), other checkable deposits (OCDs), consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions. Seasonally adjusted M1 is computed by summing currency, travelers checks, demand deposits, and OCDs, each seasonally adjusted separately.

M2: M1 plus (1) overnight (and continuing-contract) repurchase agreements (RPs) issued by all depository institutions and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, (2) savings (including MMDAs) and small time deposits (time deposits—including retail RPs—in amounts of less than $100,000), and (3) balances in both taxable and tax-exempt general-purpose and broker–dealer money market funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker–dealer), foreign governments and commercial banks, and the U.S. government. Seasonally adjusted M2 is computed by adjusting its non-M1 component as a whole and then adding this result to seasonally adjusted M1.

M3: M2 plus (1) large time deposits and term RP liabilities (in amounts of $100,000 or more) issued by all depository institutions, (2) term Eurodollars held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada, and (3) balances in both taxable and tax-exempt, institution-only money market funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also excluded is the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds. Seasonally adjusted M3 is computed by adjusting its non-M2 component as a whole and then adding this result to seasonally adjusted M2.

L: M3 plus the nonbank public holdings of U.S. savings bonds, short-term Treasury securities, commercial paper, and bankers acceptances, net of money market fund holdings of these assets. Seasonally adjusted L is computed by summing U.S. savings bonds, short-term Treasury securities, commercial paper, and bankers acceptances, each seasonally adjusted separately, and then adding this result to M3.

Debt: Debt of domestic nonfinancial sectors consists of outstanding credit market debt of the U.S. government, state and local governments, and private nonfinancial sectors. Private debt consists of corporate bonds, mortgages, consumer credit (including bank loans), other bank loans, commercial paper, bankers acceptances, and other debt instruments. Data are derived from the Federal Reserve Board's flow of funds accounts. Debt data are based on monthly averages. This sum is seasonally adjusted as a whole.

3. Currency outside the U.S. Treasury, Federal Reserve Banks, and vaults of depository institutions.

4. Outstanding amount of U.S. dollar-denominated travelers checks of nonbank issuers. Travelers checks issued by depository institutions are included in demand deposits.

5. Demand deposits at commercial banks and foreign-related institutions other than those owed to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float.

6. Consists of NOW and ATS account balances at all depository institutions, credit union share draft account balances, and demand deposits at thrift institutions.

7. Sum of (1) overnight RPs and overnight Eurodollars, (2) money market fund balances (general purpose and broker–dealer), (3) savings deposits (including MMDAs), and (4) small time deposits.

8. Sum of (1) large time deposits, (2) term RPs, (3) term Eurodollars of U.S. residents, and (4) money market fund balances (institution-only), less (5) a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds.

9. Small time deposits—including retail RPs—are those issued in amounts of less than $100,000. All IRAs and Keogh accounts at commercial banks and thrift institutions are subtracted from small time deposits.

10. Large time deposits are those issued in amounts of $100,000 or more, excluding those booked at international banking facilities.

11. Large time deposits at commercial banks less those held by money market funds, depository institutions, U.S. government, and foreign banks and official institutions.

1.22 DEPOSIT INTEREST RATES AND AMOUNTS OUTSTANDING Commercial and BIF-insured saving banks[1]

Item	1992	1993	1993 Apr.	May	June	July	Aug.	Sept.	Oct.[r]	Nov.	Dec.
	Interest rates (annual effective yields)										
INSURED COMMERCIAL BANKS											
1 Negotiable order of withdrawal accounts	2.33	1.86	2.15	2.12	2.09	2.06	2.01	1.96	1.92	1.89	1.86
2 Savings deposits[2]	2.88	2.46	2.68	2.65	2.61	2.59	2.55	2.51	2.49	2.48	2.46
Interest-bearing time deposits with balances of less than $100,000, by maturity											
3 7 to 91 days	2.90	2.65	2.72	2.70	2.68	2.67	2.66	2.63	2.63	2.64	2.65
4 92 to 182 days	3.16	2.91	2.99	2.97	2.97	2.97	2.96	2.92	2.91	2.92	2.91
5 183 days to 1 year	3.37	3.14	3.19	3.18	3.19	3.18	3.17	3.13	3.11	3.13	3.14
6 More than 1 year to 2½ years	3.88	3.55	3.66	3.64	3.65	3.64	3.63	3.55	3.54	3.54	3.55
7 More than 2½ years	4.77	4.29	4.47	4.47	4.44	4.43	4.40	4.28	4.27	4.28	4.29
BIF-INSURED SAVINGS BANKS[3]											
8 Negotiable order of withdrawal accounts	2.45	1.87	2.25	2.20	2.13	2.09	2.07	2.01	1.98	1.95	1.87
9 Savings deposits[2]	3.20	2.62	2.98	2.93	2.88	2.83	2.80	2.73	2.68	2.65	2.62
Interest-bearing time deposits with balances of less than $100,000, by maturity											
10 7 to 91 days	3.13	2.70	2.91	2.87	2.86	2.80	2.79	2.76	2.75	2.73	2.70
11 92 to 182 days	3.44	3.02	3.23	3.19	3.17	3.15	3.12	3.05	3.05	3.03	3.02
12 183 days to 1 year	3.61	3.31	3.48	3.45	3.44	3.40	3.37	3.33	3.34	3.32	3.31
13 More than 1 year to 2½ years	4.02	3.66	3.86	3.76	3.79	3.72	3.73	3.69	3.68	3.69	3.66
14 More than 2½ years	5.00	4.62	4.84	4.79	4.75	4.73	4.73	4.62	4.57	4.60	4.62
	Amounts outstanding (millions of dollars)										
INSURED COMMERCIAL BANKS											
15 Negotiable order of withdrawal accounts	286,541	305,259	280,073	283,860	287,555	284,496	287,675	286,056	289,813	297,329	305,259
16 Savings deposits[2]	738,253	766,418	745,038	753,452	754,790	757,716	761,919	758,835	765,372	770,609	766,418
17 Personal	578,757	597,844	586,863	591,231	592,545	593,448	593,318	592,028	595,715	598,200	597,844
18 Nonpersonal	159,496	168,573	158,175	162,221	162,245	164,268	168,601	166,807	169,657	172,408	168,573
Interest-bearing time deposits with balances of less than $100,000, by maturity											
19 7 to 91 days	38,474	29,463	34,675	33,213	31,743	30,803	30,017	30,384	30,022	29,730	29,463
20 92 to 182 days	127,831	109,561	122,136	119,096	114,846	112,497	109,603	108,574	108,504	109,228	109,561
21 183 days to 1 year	163,098	146,286	156,957	157,559	156,549	156,431	155,074	152,501	149,758	147,334	146,286
22 More than 1 year to 2½ years	152,977	140,131	146,830	144,330	144,804	143,605	141,377	139,406	139,042	139,315	140,131
23 More than 2½ years	169,708	182,321	178,657	179,761	179,297	180,983	181,762	184,414	183,790	180,972	182,321
24 IRA/Keogh Plan deposits	147,350	143,468	147,463	146,450	146,523	146,196	145,955	145,636	144,776	145,002	143,468
BIF-INSURED SAVINGS BANKS[3]											
25 Negotiable order of withdrawal accounts	10,871	10,881	9,876	10,000	10,313	10,457	10,468	10,471	10,548	10,852	10,881
26 Savings deposits[2]	81,786	78,998	76,970	77,352	77,495	78,390	78,387	78,182	77,995	77,948	78,998
27 Personal	78,695	75,972	74,077	74,376	74,569	75,049	75,153	74,978	74,737	74,664	75,972
28 Nonpersonal	3,091	3,026	2,893	2,976	2,926	3,341	3,234	3,204	3,258	3,284	3,026
Interest-bearing time deposits with balances of less than $100,000, by maturity											
29 7 to 91 days	3,867	2,738	3,167	3,103	3,022	2,871	2,928	2,886	2,839	2,778	2,738
30 92 to 182 days	17,345	12,587	14,328	14,129	13,808	13,773	13,525	13,261	13,131	12,926	12,587
31 183 days to 1 year	21,780	16,953	18,778	18,520	18,427	18,454	18,143	17,798	17,441	17,178	16,953
32 More than 1 year to 2½ years	18,442	16,215	16,433	16,155	15,972	16,250	16,200	16,161	16,124	15,995	16,215
33 More than 2½ years	18,845	19,632	18,646	18,725	18,989	19,229	19,331	19,610	19,657	19,645	19,632
34 IRA/Keogh Plan accounts	21,713	19,255	19,969	19,861	19,855	19,920	19,802	19,766	19,601	19,382	19,255

1. BIF, Bank Insurance Fund. Data in this table also appear in the Board's H.6 (508) Special Supplementary Table monthly statistical release. For ordering address, see inside front cover. Estimates are based on data collected by the Federal Reserve System from a stratified random sample of about 460 commercial banks and 80 savings banks on the last Wednesday of each period. Data are not seasonally adjusted and include IRA/Keogh deposits and foriegn currency denominated deposits. Data exclude retail repurchase agreements and deposits held in U.S. branches and agencies of foreign banks.
2. Includes personal and nonpersonal money market deposits.
3. BIF-insured savings banks include both mutual and federal savings banks.

1.23 BANK DEBITS AND DEPOSIT TURNOVER[1]

Debits are in billions of dollars; turnover is ratio of debits to deposits; monthly data are at annual rates

Bank group, or type of customer	1990[2]	1991[2]	1992[2]	1993 May	1993 June	1993 July[r]	1993 Aug.[r]	1993 Sept.	1993 Oct.
DEBITS	Seasonally adjusted								
Demand deposits[3]									
1 All insured banks	277,157.5	277,758.0	315,806.1	306,642.9	335,248.5	331,362.0	333,320.0	360,216.0	327,988.6
2 Major New York City banks	131,699.1	137,352.3	165,572.7	155,495.0	170,062.9	166,869.2	168,433.5	185,625.9	166,629.4
3 Other banks	145,458.4	140,405.7	150,233.5	151,147.9	165,185.6	164,492.8	164,886.5	174,590.1	161,359.2
4 Other checkable deposits[4]	3,349.0	3,645.5	3,788.1	3,284.7	3,620.9	3,377.0	3,440.1	3,499.3	3,313.0
5 Savings deposits (including MMDAs)[5]	3,483.3	3,266.1	3,331.3	3,436.1	3,637.4	3,637.8	3,494.7	3,733.7	3,395.9
DEPOSIT TURNOVER									
Demand deposits[3]									
6 All insured banks	797.8	803.5	832.4	722.8	791.3	779.4	768.2	824.6	731.3
7 Major New York City banks	3,819.8	4,270.8	4,797.9	3,852.9	4,197.5	4,306.7	4,027.5	4,263.0	3,917.7
8 Other banks	464.9	447.9	435.9	393.7	431.1	425.7	420.5	443.9	397.5
9 Other checkable deposits[4]	16.5	16.2	14.4	11.2	12.3	11.4	11.6	11.7	11.0
10 Savings deposits (including MMDAs)[5]	6.2	5.3	4.7	4.5	4.7	4.7	4.5	4.8	4.4
DEBITS	Not seasonally adjusted								
Demand deposits[3]									
11 All insured banks	277,290.5	277,715.4	315,808.2	306,746.1	345,368.7	333,304.0	342,912.1	347,886.2	336,343.9
12 Major New York City banks	131,784.7	137,307.2	165,595.0	154,606.6	176,874.8	168,018.4	174,674.7	179,869.7	172,675.6
13 Other banks	145,505.8	140,408.3	150,213.3	152,139.5	168,493.9	165,285.6	168,237.4	168,016.5	163,668.2
14 Other checkable deposits[4]	3,346.7	3,645.6	3,788.1	3,201.0	3,645.9	3,301.6	3,379.2	3,502.1	3,302.7
15 Savings deposits (including MMDAs)[5]	3,483.0	3,267.7	3,329.0	3,445.0	3,758.1	3,648.1	3,532.3	3,539.5	3,331.9
DEPOSIT TURNOVER									
Demand deposits[3]									
16 All insured banks	798.2	803.4	832.5	738.2	818.3	779.0	803.4	798.6	749.4
17 Major New York City banks	3,825.9	4,274.3	4,803.5	3,948.9	4,412.6	4,280.6	4,307.8	4,196.6	4,059.2
18 Other banks	465.0	447.9	436.0	404.2	441.1	425.3	435.5	427.8	402.8
19 Other checkable deposits[4]	16.4	16.2	14.4	11.1	12.5	11.3	11.5	11.8	11.1
20 Savings deposits (including MMDAs)[5]	6.2	5.3	4.7	4.5	4.9	4.8	4.6	4.6	4.3

1. Historical tables containing revised data for earlier periods can be obtained from the Banking and Money Market Statistics Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.
Data in this table also appear in the Board's G.6 (406) monthly statistical release. For ordering address, see inside front cover.

2. Annual averages of monthly figures.
3. Represents accounts of individuals, partnerships, and corporations and of states and political subdivisions.
4. Accounts authorized for negotiable orders of withdrawal (NOWs) and accounts authorized for automatic transfer to demand deposits (ATSs).
5. Money market deposit accounts.

1.24 LOANS AND SECURITIES All Commercial Banks[1]

Billions of dollars, averages of Wednesday figures

Item	1993 Jan.	Feb.	Mar.	Apr.	May	June[r]	July[r]	Aug.[r]	Sept.[r]	Oct.[r]	Nov.	Dec.
	Seasonally adjusted											
1 **Total loans, leases, and securities[2]**	**2,935.3**	**2,943.9**	**2,960.2**	**2,970.9**	**2,991.2**	**3,014.1**	**3,037.4**	**3,046.6**	**3,057.2**	**3,056.6**	**3,072.6**	**3,087.2**
2 U.S. government securities	656.5	666.2	680.2	691.0	693.5	704.3	708.2	714.8	720.6	718.4	720.0	727.2
3 Other securities	174.5	176.4	179.0	181.0	181.2	179.6	181.5	182.4	182.6	180.7	180.9	181.9
4 Total loans and leases[2]	2,104.4	2,101.3	2,101.0	2,098.9	2,116.5	2,130.3	2,147.8	2,149.4	2,153.9	2,157.5	2,171.7	2,178.2
5 Commercial and industrial	598.0	596.7	593.1	587.5	589.9	590.9	590.2	589.6	586.2	585.7	585.4	584.2
6 Bankers acceptances held[3]	7.3	8.4	8.5	8.5	9.0	8.8	9.2	9.6	8.8	9.5	9.0	8.8
7 Other commercial and industrial	590.7	588.3	584.6	579.0	580.9	582.1	581.0	580.0	577.4	576.2	576.5	575.4
8 U.S. addressees[4]	581.2	578.8	574.9	569.7	571.2	572.8	571.5	570.4	567.4	566.5	566.3	565.7
9 Non-U.S. addressees[4]	9.6	9.5	9.7	9.3	9.7	9.4	9.6	9.6	9.9	9.7	10.2	9.7
10 Real estate	890.8	890.1	891.9	892.2	898.0	904.0	907.7	910.8	914.6	918.1	921.8	927.2
11 Individual	358.4	361.9	362.3	364.4	367.5	368.8	372.5	374.7	376.0	380.3	383.2	385.6
12 Security	63.5	62.8	64.2	62.3	68.6	71.4	81.6	79.9	82.7	79.5	87.0	86.0
13 Nonbank financial institutions	45.1	44.6	44.2	45.0	45.9	46.0	46.5	46.8	46.1	44.9	44.2	43.2
14 Agricultural	34.5	34.3	34.0	34.1	34.3	34.3	34.7	34.8	34.8	35.0	35.5	35.4
15 State and political subdivisions	24.2	23.8	23.6	23.1	23.0	22.8	22.8	22.7	22.4	22.2	21.8	21.6
16 Foreign banks	7.7	8.8	8.5	8.4	8.4	8.6	9.0	9.5	8.7	8.9	8.1	7.7
17 Foreign official institutions	2.9	3.2	3.2	3.2	3.1	3.2	3.2	3.1	3.4	3.5	3.3	3.3
18 Lease-financing receivables	30.4	30.6	30.6	30.7	30.9	31.3	31.6	31.7	31.8	32.1	32.5	32.8
19 All other loans	48.8	44.5	45.3	48.0	46.8	49.0	47.9	46.0	47.3	47.3	49.1	51.1
	Not seasonally adjusted											
20 **Total loans, leases, and securities[2]**	**2,937.4**	**2,946.7**	**2,963.9**	**2,972.5**	**2,986.2**	**3,013.9**	**3,025.6**	**3,038.3**	**3,054.0**	**3,055.8**	**3,079.9**	**3,096.8**
21 U.S. government securities	656.9	669.8	685.9	692.8	692.5	702.0	703.5	713.1	718.3	716.0	723.2	725.8
22 Other securities	175.0	176.6	178.7	180.4	180.7	179.1	180.4	182.2	182.2	181.0	181.9	182.0
23 Total loans and leases[2]	2,105.5	2,100.3	2,099.3	2,099.3	2,113.0	2,132.8	2,141.8	2,142.9	2,153.5	2,158.8	2,174.8	2,189.0
24 Commercial and industrial	596.4	595.9	596.3	590.4	591.6	592.7	589.2	585.9	582.7	583.4	585.8	586.9
25 Bankers acceptances held[3]	7.4	8.8	8.6	8.3	8.9	8.6	8.9	9.3	8.6	9.3	9.3	9.2
26 Other commercial and industrial	589.0	587.1	587.7	582.1	582.7	584.1	580.3	576.6	574.0	574.1	576.5	577.8
27 U.S. addressees[4]	579.5	577.5	578.2	572.7	573.0	573.9	570.4	566.8	564.2	564.7	566.9	568.2
28 Non-U.S. addressees[4]	9.5	9.5	9.5	9.4	9.7	10.2	9.9	9.8	9.8	9.4	9.6	9.5
29 Real estate	890.5	888.3	889.3	891.1	898.0	904.3	908.0	911.5	915.5	919.1	923.3	928.5
30 Individual	362.5	361.9	359.8	361.7	365.7	367.0	370.2	374.1	377.6	380.7	384.1	390.4
31 Security	65.0	65.8	66.4	65.7	65.5	70.8	77.5	76.9	80.7	79.2	86.1	87.1
32 Nonbank financial institutions	45.3	44.5	43.9	44.4	45.3	46.6	46.2	46.6	45.4	44.5	44.5	45.1
33 Agricultural	33.6	32.9	32.7	33.3	34.0	34.8	35.6	35.9	36.2	36.0	35.6	35.2
34 State and political subdivisions	24.0	23.7	23.7	23.2	23.0	22.8	22.7	22.7	22.5	22.4	21.8	21.6
35 Foreign banks	7.8	8.6	8.2	8.1	8.2	8.4	9.1	9.2	8.8	9.2	8.5	8.2
36 Foreign official institutions	2.9	3.2	3.2	3.2	3.1	3.2	3.2	3.1	3.4	3.5	3.3	3.3
37 Lease-financing receivables	30.8	30.8	30.8	30.8	30.9	31.3	31.3	31.5	31.6	32.1	32.3	32.8
38 All other loans	46.6	44.6	45.0	47.5	47.6	51.0	48.8	45.4	49.1	48.8	49.6	49.9

1. All commercial banks include domestically chartered insured banks, U.S. branches and agencies of foreign banks, New York state investment companies majority owned by foreign banks, and Edge Act and agreement corporations owned by domestically chartered foreign banks. Data are prorated averages of Wednesday estimates for domestically chartered and foreign related institutions, based on weekly reports of a sample of domestically chartered insured banks and large branches and agencies and quarterly reports of all domestically chartered insured banks and all agencies, branches, investment companies, and Edge Act and agreement corporation engaged in banking.
2. Adjusted to exclude loans to commercial banks in the United States.
3. Includes nonfinancial commercial paper held.
4. United States includes the fifty states and the District of Columbia.

1.25 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS[1]

Billions of dollars, monthly averages

Source of funds	1993											
	Jan.	Feb.	Mar.	Apr.	May	June	July[r]	Aug.[r]	Sept.	Oct.	Nov.	Dec.
	Seasonally adjusted											
1 Total nondeposit funds[2]	311.6[r]	309.8[r]	320.2[r]	329.7[r]	325.1	335.9[r]	357.7	366.9	377.9[r]	382.0	372.7	371.6
2 Net balances owed to related foreign offices[3]	73.8	72.5	77.8	87.5	81.9	85.0	100.0	114.1	118.8[r]	123.6	120.7	119.4
3 Borrowings from other than commercial banks in United States[4]	237.8[r]	237.3[r]	242.4[r]	242.2[r]	243.3	250.8[r]	257.7	252.8	259.1	258.4	251.9	252.1
4 Domestically chartered banks	157.1[r]	157.1[r]	161.9[r]	167.2[r]	166.2	173.9[r]	181.3	177.4	181.7[r]	183.5[r]	178.5	177.1
5 Foreign-related banks	80.7	80.2	80.5	75.0	77.1	77.0	76.4	75.4	77.4	75.0	73.4	75.0
	Not seasonally adjusted											
6 Total nondeposit funds[2]	310.5[r]	314.1[r]	325.1[r]	325.8[r]	329.8	334.9[r]	351.4	361.8	372.5[r]	384.6	378.9	371.7
7 Net balances owed to related foreign offices[3]	76.4	74.4	78.5	84.6	84.0	83.1	96.7	110.4	116.4[r]	124.7	122.4	123.6
8 Domestically chartered banks	−15.8	−10.6	−7.0	−9.4	−9.7	−15.3	−15.2	−13.6	−11.2	−5.1	−4.9	−2.8
9 Foreign-related banks	92.3	84.9	85.5	94.0	93.7	98.4	112.0	124.0	127.7[r]	129.9	127.3	126.3
10 Borrowings from other than commercial banks in United States[4]	234.1[r]	239.7[r]	246.5[r]	241.3[r]	245.8	251.8[r]	254.6	251.4	256.1	259.9	256.5	248.2
11 Domestically chartered banks	154.0[r]	158.8[r]	164.8[r]	165.1[r]	167.8	173.6[r]	177.5	176.1	180.3[r]	184.8	183.7	176.0
12 Federal funds and security RP borrowings[5]	150.4[r]	155.6[r]	161.4[r]	161.6[r]	164.0	169.8[r]	173.2	172.1	176.0	180.4[r]	178.9	171.4
13 Other[6]	3.6	3.2	3.3	3.5	3.8	3.8	4.3	4.0	4.4	4.5	4.7	4.6
14 Foreign-related banks[6]	80.0	80.9	81.8	76.2	78.0	78.2	77.1	75.3	75.7	75.0	72.8	72.2
MEMO												
Gross large time deposits[7]												
15 Seasonally adjusted	359.9	358.4	355.7	355.0	356.3	352.6	344.6	339.7	335.5	335.5	336.4	340.3
16 Not seasonally adjusted	358.0	358.0	356.5	354.2	357.9	354.1	344.3	340.8	335.9[r]	334.7[r]	336.3	339.2
U.S. Treasury demand balances at commercial banks[8]												
17 Seasonally adjusted	25.6	23.6	18.8	24.2	19.1	26.1	30.1	29.4	24.2	16.7	16.1	22.5
18 Not seasonally adjusted	33.1	29.5	17.4	20.3	20.3	26.5	25.6	23.8	28.6	17.1[r]	12.9	21.4

1. Commercial banks are nationally and state-chartered banks in the fifty states and the District of Columbia, agencies and branches of foreign banks, New York State investment companies majority owned by foreign banks, and Edge Act and agreement corporations owned by domestically chartered and foreign banks.

Data in this table also appear in the Board's G.10 (411) *monthly statistical* release. For ordering address, see inside front cover.

2. Includes federal funds, repurchase agreements (RPs), and other borrowing from nonbanks and net balances due to related foreign offices.

3. Reflects net positions of U.S. chartered banks, Edge Act corporations, and U.S. branches and agencies of foreign banks with related foreign offices plus net positions with own international banking facilities (IBFs).

4. Borrowings through any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking business. This includes borrowings from Federal Reserve Banks and from foreign banks, term federal funds, loan RPs, and sales of participations in pooled loans.

5. Figures are based on averages of daily data reported weekly by approximately 120 large banks and on quarterly or annual data reported by other banks.

6. *Figures are partly averages of daily data and partly averages of Wednesday* data.

7. Time deposits in denominations of $100,000 or more. Estimated averages of daily data.

8. U.S. Treasury demand deposits and Treasury tax and loan notes at commercial banks. Averages of daily data.

1.26 ASSETS AND LIABILITIES OF COMMERCIAL BANKS[1] Wednesday figures

Millions of dollars

Account	1993								
	Nov. 3	Nov. 10	Nov. 17	Nov. 24	Dec. 1	Dec. 8	Dec. 15	Dec. 22	Dec. 29
ALL COMMERCIAL BANKING INSTITUTIONS[2]									
Assets									
1 Loans and securities	3,227,573	3,237,466	3,231,044	3,236,110	3,252,784	3,262,210	3,270,051	3,247,053	3,261,500
2 Investment securities	860,391	863,326	858,152	860,242	861,738	868,761	866,805	866,889	865,331
3 U.S. government securities	694,525	696,768	691,203	693,364	695,260	702,446	700,387	700,808	699,806
4 Other	165,866	166,557	166,949	166,879	166,479	166,315	166,418	166,082	165,526
5 Trading account assets	42,910	45,855	44,634	42,420	45,064	40,527	41,286	39,661	39,040
6 U.S. government securities	27,588	30,887	29,655	26,925	29,588	24,686	25,977	24,641	23,363
7 Other securities	2,670	2,724	2,308	2,204	2,145	2,119	1,991	2,036	2,114
8 Other trading account assets	12,652	12,245	12,670	13,291	13,332	13,722	13,318	12,984	13,563
9 Total loans	2,324,272	2,328,285	2,328,258	2,333,448	2,345,982	2,352,921	2,361,960	2,340,504	2,357,129
10 Interbank loans	154,333	157,763	158,886	155,286	161,337	170,118	168,086	155,428	161,799
11 Loans excluding interbank	2,169,939	2,170,522	2,169,372	2,178,162	2,184,645	2,182,803	2,193,875	2,185,075	2,195,330
12 Commercial and industrial	586,916	585,862	585,525	585,417	585,823	582,590	586,519	588,660	589,257
13 Real estate	920,411	923,670	921,663	921,804	927,812	929,760	931,041	924,916	928,513
14 Revolving home equity	74,211	74,088	73,992	73,781	73,636	73,493	73,472	73,344	73,208
15 Other	846,200	849,582	847,671	848,022	854,177	856,267	857,569	851,572	855,305
16 Individual	381,762	382,340	383,420	384,511	387,443	385,122	389,573	392,116	394,218
17 All other	280,850	278,650	278,764	286,431	283,566	285,331	286,742	279,384	283,343
18 Total cash assets	214,169	211,673	217,494	225,624	253,850	210,804	245,987	233,352	233,208
19 Balances with Federal Reserve Banks	27,964	31,293	29,534	35,037	29,103	26,473	31,841	33,917	37,646
20 Cash in vault	31,622	33,170	34,503	32,840	35,818	34,283	34,826	34,420	37,743
21 Demand balances at U.S. depository institutions	31,716	29,769	31,054	32,725	35,173	30,660	36,169	33,231	32,146
22 Cash items	84,005	79,331	83,591	85,340	114,057	79,512	102,814	92,254	85,608
23 Other cash assets	38,862	38,110	38,812	39,681	39,699	39,877	40,338	39,529	40,064
24 Other assets	280,367	281,917	273,132	271,457	281,469	278,518	280,052	277,830	278,229
25 Total assets	**3,722,110**	**3,731,056**	**3,721,670**	**3,733,191**	**3,788,102**	**3,751,531**	**3,796,090**	**3,758,235**	**3,772,936**
Liabilities									
26 Total deposits	2,534,573	2,526,820	2,527,772	2,527,958	2,582,052	2,547,254	2,599,383	2,547,626	2,550,880
27 Transaction accounts	821,447	813,115	819,518	821,162	871,154	825,988	886,236	846,304	852,224
28 Demand, U.S. government	3,319	3,173	2,915	5,123	5,771	3,025	28,434	4,161	4,706
29 Demand, depository institutions	40,376	38,652	40,661	41,647	47,491	39,080	47,577	43,015	40,097
30 Other demand and all checkable deposits	777,752	771,290	775,942	774,392	817,893	783,883	810,225	799,128	807,421
31 Savings deposits (excluding checkable)	781,547	784,448	780,166	775,823	780,404	786,659	780,276	772,409	772,507
32 Small time deposits	602,756	601,262	599,768	599,499	599,445	598,671	597,863	596,253	595,286
33 Time deposits over $100,000	328,823	327,995	328,320	331,474	331,049	335,937	335,009	332,660	330,863
34 Borrowings	507,734	520,333	507,260	522,472	523,204	516,289	512,444	529,732	538,053
35 Treasury tax and loan notes	6,381	9,368	5,871	7,026	15,853	1,347	2,439	21,319	34,657
36 Other	501,353	510,965	501,389	515,446	507,351	514,942	510,005	508,413	503,396
37 Other liabilities	381,148	383,687	387,169	385,933	384,098	385,108	383,474	382,326	383,758
38 Total liabilities	**3,423,455**	**3,430,839**	**3,422,201**	**3,436,364**	**3,489,353**	**3,448,652**	**3,495,301**	**3,459,684**	**3,472,691**
39 Residual (assets less liabilities)[3]	298,655	300,217	299,469	296,827	298,749	302,880	300,790	298,551	300,246

Footnotes appear on following page.

1.26 ASSETS AND LIABILITIES OF COMMERCIAL BANKS[1] Wednesday figures—Continued

Millions of dollars

Account	1993								
	Nov. 3	Nov. 10	Nov. 17	Nov. 24	Dec. 1	Dec. 8	Dec. 15	Dec. 22	Dec. 29
DOMESTICALLY CHARTERED COMMERCIAL BANKS[4]									
Assets									
40 Loans and securities	2,868,228	2,878,595	2,867,479	2,870,911	2,892,497	2,891,850	2,903,297	2,878,339	2,885,262
41 Investment securities	781,153	784,577	777,069	782,201	782,970	787,058	785,142	785,855	783,916
42 U.S. government securities	638,853	641,832	634,288	638,336	639,373	643,807	641,860	642,481	640,466
43 Other	142,299	142,745	142,781	143,865	143,597	143,252	143,282	143,374	143,450
44 Trading account assets	42,910	45,855	44,634	42,420	45,064	40,527	41,286	39,661	39,040
45 U.S. government securities	27,588	30,887	29,655	26,925	29,588	24,686	25,977	24,641	23,363
46 Other securities	2,670	2,724	2,308	2,204	2,145	2,119	1,991	2,036	2,114
47 Other trading account assets	12,652	12,245	12,670	13,291	13,332	13,722	13,318	12,984	13,563
48 Total loans	2,044,165	2,048,162	2,045,777	2,046,291	2,064,463	2,064,265	2,076,869	2,052,823	2,062,306
49 Interbank loans	132,541	135,591	134,769	131,827	139,413	144,293	147,146	131,718	133,758
50 Loans excluding interbank	1,911,625	1,912,571	1,911,007	1,914,464	1,925,051	1,919,972	1,929,724	1,921,105	1,928,547
51 Commercial and industrial	435,288	434,178	434,016	433,293	433,744	431,444	434,481	436,158	435,947
52 Real estate	873,131	876,432	874,586	874,576	880,698	882,652	884,451	879,472	883,303
53 Revolving home equity	74,211	74,088	73,992	73,781	73,636	73,493	73,472	73,344	73,208
54 Other	798,920	802,344	800,594	800,795	807,062	809,159	810,979	806,128	810,096
55 Individual	381,762	382,340	383,420	384,511	387,443	385,122	389,573	392,116	394,218
56 All other	221,444	219,620	218,986	222,084	223,166	220,754	221,219	213,359	215,079
57 Total cash assets	188,224	186,556	192,468	200,117	228,492	185,496	220,375	208,142	207,031
58 Balances with Federal Reserve Banks	27,509	30,543	29,059	34,334	28,605	25,759	31,339	33,119	37,041
59 Cash in vault	31,589	33,130	34,466	32,803	35,782	34,246	34,787	34,382	37,706
60 Demand balances at U.S. depository institutions	29,917	28,436	29,714	31,480	33,680	29,254	34,814	31,790	30,651
61 Cash items	81,426	76,787	81,427	82,963	111,547	77,298	100,575	89,893	83,141
62 Other cash assets	17,783	17,662	17,803	18,537	18,879	18,938	18,861	18,959	18,492
63 Other assets	191,006	189,260	181,647	178,680	184,147	183,928	182,139	181,408	183,201
64 **Total assets**	**3,247,458**	**3,254,411**	**3,241,595**	**3,249,708**	**3,305,136**	**3,261,274**	**3,305,811**	**3,267,889**	**3,275,494**
Liabilities									
65 Total deposits	2,392,402	2,385,657	2,385,588	2,383,394	2,434,800	2,397,536	2,447,879	2,395,846	2,398,058
66 Transaction accounts	808,597	801,599	808,078	810,473	858,913	815,229	874,405	834,926	839,798
67 Demand, U.S. government	3,318	3,173	2,915	5,122	5,769	3,024	28,432	4,161	4,705
68 Demand, depository institutions	37,794	36,152	37,997	39,124	44,715	36,607	44,935	40,271	37,336
69 Other demand and all checkable deposits	767,485	762,274	767,166	766,227	808,430	775,598	801,038	790,495	797,757
70 Savings deposits (excluding checkable)	777,112	780,026	775,828	771,468	776,049	782,219	775,906	768,055	768,082
71 Small time deposits	600,517	599,032	597,544	597,267	597,212	596,443	595,617	594,008	593,032
72 Time deposits over $100,000	206,176	205,001	204,138	204,186	202,626	203,646	201,951	198,858	197,147
73 Borrowings	404,644	419,144	407,073	423,761	421,870	412,417	409,612	429,652	433,063
74 Treasury tax and loan notes	6,381	9,368	5,871	7,026	15,853	1,347	2,439	21,319	34,657
75 Other	398,263	409,776	401,202	416,735	406,017	411,070	407,173	408,333	398,406
76 Other liabilities	154,758	152,395	152,467	148,726	152,719	151,443	150,533	146,840	147,130
77 **Total liabilities**	**2,951,804**	**2,957,196**	**2,945,127**	**2,955,882**	**3,009,389**	**2,961,395**	**3,008,023**	**2,972,339**	**2,978,250**
78 Residual (assets less liabilities)[3]	295,654	297,215	296,468	293,826	295,748	299,879	297,788	295,550	297,244

1. Excludes assets and liabilities of international banking facilities.
2. Includes insured domestically chartered commercial banks, agencies and branches of foreign banks, Edge Act and agreement corporations, and New York State investment corporations majority owned by foreign banks. Data are estimates for the last Wednesday of the month based on a sample of weekly reporting foreign-related and domestic institutions and quarter-end condition reports.
3. This balancing item is not intended as a measure of equity capital for use in capital-adequacy analysis.
4. Includes all member banks and insured nonmember banks. Loans and securities data are estimates for the last Wednesday of the month based on a sample of weekly reporting banks and quarter-end condition reports.

1.27 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS

Millions of dollars, Wednesday figures

	Account	1993								
		Nov. 3	Nov. 10	Nov. 17	Nov. 24	Dec. 1	Dec. 8	Dec. 15	Dec. 22	Dec. 29
	ASSETS									
1	Cash and balances due from depository institutions	107,965	107,645	112,824	118,438	142,070	107,158	136,856	124,500	124,063
2	U.S. Treasury and government securities	301,587	305,802	299,371	298,788	302,649	302,048	299,968	299,312	296,064
3	Trading account	24,577	27,724	26,038	24,175	26,278	22,130	23,385	22,280	20,450
4	Investment account	277,011	278,079	273,332	274,612	276,372	279,919	276,584	277,032	275,614
5	Mortgage-backed securities[1]	86,337	86,070	84,588	87,603	88,537	88,625	87,022	87,170	87,863
	All others, by maturity									
6	One year or less	48,567	50,294	50,175	48,310	48,834	51,085	51,994	51,996	52,000
7	One year through five years	72,986	72,970	71,273	71,725	71,932	72,856	71,928	71,971	70,925
8	More than five years	69,121	68,745	67,296	66,975	67,069	67,353	65,640	65,895	64,826
9	Other securities	56,372	56,506	56,141	56,599	56,490	56,303	55,951	56,017	55,570
10	Trading account	2,410	2,463	2,098	1,994	1,935	1,911	1,782	1,828	1,883
11	Investment account	53,962	54,042	54,043	54,604	54,555	54,392	54,169	54,189	53,687
12	State and political subdivisions, by maturity	20,038	20,122	20,151	20,222	20,172	20,132	20,183	20,369	20,517
13	One year or less	3,842	3,885	3,808	3,857	4,062	3,945	4,003	4,034	4,054
14	More than one year	16,196	16,236	16,343	16,366	16,110	16,188	16,180	16,335	16,463
15	Other bonds, corporate stocks, and securities	33,924	33,921	33,892	34,382	34,384	34,260	33,986	33,821	33,170
16	Other trading account assets	12,541	12,134	12,560	13,179	13,221	13,611	13,206	12,873	13,453
17	Federal funds sold[2]	89,954	92,479	89,316	93,384	93,857	97,197	102,728	80,864	86,051
18	To commercial banks in the United States	50,596	53,317	51,766	52,419	56,011	57,352	63,290	49,169	53,240
19	To nonbank brokers and dealers	34,748	34,962	33,094	37,038	33,432	34,965	34,720	28,657	29,504
20	To others[3]	4,609	4,200	4,456	3,927	4,414	4,881	4,717	3,039	3,306
21	Other loans and leases, gross	1,002,310	1,002,350	1,003,406	1,003,906	1,015,053	1,008,577	1,016,635	1,017,324	1,019,765
22	Commercial and industrial	274,545	273,243	273,190	272,387	272,904	270,666	272,724	274,021	273,325
23	Bankers acceptances and commercial paper	3,411	3,459	3,395	3,387	3,492	3,122	2,984	2,969	3,102
24	All other	271,133	269,783	269,795	269,000	269,411	267,544	269,741	271,053	270,223
25	U.S. addressees	269,710	268,370	268,347	267,555	267,975	266,092	268,295	269,538	268,727
26	Non-U.S. addressees	1,423	1,413	1,448	1,445	1,437	1,451	1,446	1,515	1,496
27	Real estate loans	405,344	407,772	406,132	405,772	410,662	412,737	412,583	407,976	409,646
28	Revolving, home equity	43,359	43,275	43,220	43,039	42,950	42,809	42,796	42,685	42,640
29	All other	361,985	364,497	362,912	362,733	367,713	369,928	369,787	365,291	367,006
30	To individuals for personal expenditures	195,242	195,482	196,316	197,203	198,793	197,529	200,218	202,293	203,956
31	To financial institutions	38,959	38,659	39,147	38,948	41,338	40,774	41,950	43,081	42,803
32	Commercial banks in the United States	13,533	13,621	14,563	14,685	15,518	14,996	16,737	18,208	17,976
33	Banks in foreign countries	2,253	2,255	2,588	2,679	2,964	2,922	2,524	3,246	2,373
34	Nonbank financial institutions	23,173	22,782	21,996	21,584	22,856	22,856	22,689	21,627	22,453
35	For purchasing and carrying securities	18,868	18,157	17,713	19,972	18,204	18,060	18,519	19,537	19,109
36	To finance agricultural production	5,709	5,702	5,683	5,728	5,624	5,664	5,628	5,661	5,705
37	To states and political subdivisions	12,910	12,775	12,686	12,629	12,513	12,336	12,353	12,497	12,308
38	To foreign governments and official institutions	1,112	1,254	1,114	1,118	1,156	1,113	1,158	1,141	1,381
39	All other loans[4]	24,048	23,743	25,771	24,455	28,070	23,900	25,626	25,176	25,580
40	Lease-financing receivables	25,575	25,563	25,653	25,693	25,789	25,797	25,876	25,940	25,954
41	LESS: Unearned income	1,962	1,961	1,962	1,965	1,947	1,930	1,916	1,912	1,906
42	Loan and lease reserve[5]	35,482	35,517	35,487	35,415	35,420	35,570	35,563	35,363	34,881
43	Other loans and leases, net	964,867	964,872	965,957	966,527	977,686	971,077	979,155	980,049	982,978
44	Other assets	175,264	175,736	169,384	165,942	170,929	170,784	169,532	168,767	168,239
45	**Total assets**	**1,708,549**	**1,715,175**	**1,705,551**	**1,712,856**	**1,756,902**	**1,718,180**	**1,757,396**	**1,722,382**	**1,726,417**

Footnotes appear on the following page.

1.27 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS—Continued

Millions of dollars, Wednesday figures

Account	1993								
	Nov. 3	Nov. 10	Nov. 17	Nov. 24	Dec. 1	Dec. 8	Dec. 15	Dec. 22	Dec. 29
LIABILITIES									
46 Deposits	1,122,944	1,119,646	1,122,091	1,117,154	1,156,471	1,125,695	1,169,536	1,125,167	1,127,040
47 Demand deposits	293,883	292,685	300,400	300,205	332,852	297,628	346,148	312,072	315,836
48 Individuals, partnerships, and corporations	243,294	242,238	248,019	247,563	270,947	246,398	268,224	254,500	260,055
49 Other holders	50,590	50,447	52,381	52,642	61,905	51,230	77,925	57,572	55,781
50 States and political subdivisions	9,442	8,915	8,863	9,714	10,963	8,524	10,152	9,843	10,234
51 U.S. government	1,944	1,932	1,664	3,284	3,711	1,847	21,878	2,456	2,955
52 Depository institutions in the United States	23,266	22,018	23,330	23,720	29,458	22,568	29,366	23,481	22,908
53 Banks in foreign countries	5,130	5,379	4,974	5,264	5,745	5,144	6,258	7,815	5,589
54 Foreign governments and *official institutions*	637	1,088	648	713	716	663	720	617	853
55 Certified and officers' checks	10,171	11,116	12,903	9,947	11,312	12,484	9,550	13,360	13,242
56 Transaction balances other than demand deposits[4]	123,845	122,161	121,625	121,064	125,035	124,737	126,518	126,749	126,438
57 Nontransaction balances	705,216	704,800	700,066	695,885	698,584	703,330	696,870	686,346	684,766
58 Individuals, partnerships, and corporations	683,876	683,275	678,561	674,314	677,632	682,298	676,036	665,775	664,819
59 Other holders	21,340	21,525	21,505	21,571	20,952	21,033	20,833	20,572	19,947
60 States and political subdivisions	17,319	17,476	17,386	17,434	16,911	16,895	16,789	16,540	16,198
61 U.S. government	2,224	2,267	2,321	2,334	2,230	2,223	2,134	2,157	1,845
62 Depository institutions in the United States	1,491	1,482	1,498	1,506	1,515	1,618	1,608	1,573	1,603
63 Foreign governments, official institutions, and banks	306	300	300	298	296	297	302	302	301
64 Liabilities for borrowed money[5]	305,940	318,334	306,721	323,032	322,426	314,773	311,231	326,307	328,421
65 Borrowings from Federal Reserve Banks	0	0	0	0	0	0	125	0	0
66 *Treasury tax and loan notes*	5,929	8,384	5,059	6,343	14,076	72	1,645	18,535	29,558
67 Other liabilities for borrowed money[6]	300,011	309,950	301,662	316,690	308,350	314,701	309,462	307,772	298,863
68 Other liabilities (including subordinated notes and debentures)	123,686	120,847	120,948	117,677	121,472	119,949	119,368	115,489	115,658
69 **Total liabilities**	**1,552,570**	**1,558,827**	**1,549,761**	**1,557,864**	**1,600,369**	**1,560,417**	**1,600,136**	**1,566,963**	**1,571,119**
70 Residual (total assets less total liabilities)[7]	155,979	156,348	155,790	154,992	156,533	157,762	157,260	155,419	155,298
MEMO									
71 Total loans and leases, gross, adjusted, *plus securities*[8]	1,398,635	1,402,332	1,394,463	1,398,751	1,409,742	1,405,390	1,408,460	1,399,014	1,399,686
72 Time deposits in amounts of $100,000 or more	98,661	97,637	96,934	97,006	95,827	96,780	95,341	92,430	90,968
73 Loans sold outright to affiliates[9]	812	805	804	849	850	849	846	819	795
74 Commercial and industrial	394	388	387	396	391	391	388	395	391
75 Other	418	417	417	453	459	458	458	424	404
76 Foreign branch credit extended to U.S. residents[10]	21,848	21,976	21,886	21,935	21,347	21,847	21,673	21,505	21,804
77 Net owed to related institutions abroad	−10,839	−12,518	−7,533	−5,275	−5,742	−6,885	−2,746	−6,446	−5,178

1. Includes certificates of participation, issued or guaranteed by agencies of the U.S. government, in pools of residential mortgages.
2. Includes securities purchased under agreements to resell.
3. Includes allocated transfer risk reserve.
4. Includes negotiable order of withdrawal accounts (NOWs), automatic transfer service (ATS), and telephone and preauthorized transfers of savings deposits.
5. Includes borrowings only from other than directly related institutions.
6. Includes federal funds purchased and securities sold under agreements to repurchase.
7. This balancing item is not intended as a measure of equity capital for use in capital-adequacy analysis.
8. Excludes loans to and federal funds transactions with commercial banks in the United States.
9. Affiliates include a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.
10. Credit extended by foreign branches of domestically chartered weekly reporting banks to nonbank U.S. residents. Consists mainly of commercial and industrial loans, but includes an unknown amount of credit extended to other than nonfinancial businesses.

NOTE. Data that formerly appeared in table 1.28, Assets and Liabilities of Large Weekly Reporting Commercial Banks in New York City, can be obtained from the Board's H.4.2 (504) weekly statistical release. For ordering address, see inside front cover.

1.28 LARGE WEEKLY REPORTING U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS Assets and Liabilities[1]

Millions of dollars, Wednesday figures

Account	1993								
	Nov. 3	Nov. 10	Nov. 17	Nov. 24	Dec. 1	Dec. 8	Dec. 15	Dec. 22	Dec. 29
ASSETS									
1 Cash and balances due from depository institutions	17,415	16,879	16,811	17,065	16,983	16,919	17,066	16,850	17,544
2 U.S. Treasury and government agency securities	35,776	35,175	36,427	35,339	36,009	37,924	37,182	37,181	38,062
3 Other securities	8,494	8,591	8,738	8,266	8,229	8,293	8,306	8,147	7,916
4 Federal funds sold[1]	24,640	25,281	25,523	27,847	25,456	32,268	28,968	29,323	31,712
5 To commercial banks in the United States	5,728	5,961	6,808	6,389	6,334	7,967	5,678	6,728	8,717
6 To others[2]	18,913	19,321	18,715	21,459	19,123	24,301	23,291	22,595	22,994
7 Other loans and leases, gross	158,164	157,667	158,820	158,959	157,991	155,960	157,373	158,002	160,008
8 Commercial and industrial	95,363	95,355	95,407	95,393	95,418	94,740	95,201	95,388	96,011
9 Bankers acceptances and commercial paper	2,761	2,618	2,528	2,826	2,940	2,870	2,975	3,222	3,134
10 All other	92,602	92,737	92,879	92,567	92,477	91,871	92,226	92,165	92,877
11 U.S. addressees	89,396	89,413	89,596	89,317	89,267	88,701	89,048	88,950	89,695
12 Non-U.S. addressees	3,206	3,325	3,283	3,250	3,211	3,170	3,178	3,215	3,182
13 Loans secured by real estate	31,083	31,065	31,013	30,962	30,929	30,906	30,538	29,802	29,686
14 To financial institutions	22,571	22,660	22,722	22,499	22,286	22,263	22,465	22,581	23,113
15 Commercial banks in the United States	5,383	5,493	5,415	5,450	4,975	4,975	5,007	5,249	5,363
16 Banks in foreign countries	2,025	1,958	1,955	2,021	1,865	1,845	1,793	1,694	1,644
17 Nonbank financial institutions	15,163	15,208	15,353	15,028	15,446	15,442	15,665	15,637	16,106
18 For purchasing and carrying securities	5,154	4,711	5,709	6,132	5,432	4,148	5,163	6,066	6,788
19 To foreign governments and official institutions	471	469	495	474	437	443	489	462	468
20 All other	3,521	3,407	3,474	3,499	3,489	3,460	3,517	3,705	3,943
21 Other assets (claims on nonrelated parties)	32,187	32,612	31,647	32,334	31,973	33,003	31,062	31,070	30,093
22 **Total assets**[3]	**300,675**	**301,910**	**303,905**	**305,879**	**305,591**	**310,778**	**309,949**	**309,655**	**314,422**
LIABILITIES									
23 Deposits or credit balances owed to other than directly-related institutions	92,187	92,173	92,749	94,370	95,646	97,459	98,784	98,969	99,470
24 Demand deposits[4]	5,163	4,611	4,546	4,207	4,924	4,239	4,713	4,442	5,125
25 Individuals, partnerships, and corporations	3,745	3,564	3,437	3,352	3,485	3,324	3,448	3,204	3,963
26 Other	1,418	1,047	1,110	855	1,439	915	1,265	1,239	1,162
27 Nontransaction accounts	87,025	87,562	88,203	90,163	90,722	93,220	94,071	94,526	94,345
28 Individuals, partnerships, and corporations	58,633	58,858	59,755	62,383	62,968	64,633	65,401	65,595	65,181
29 Other	28,391	28,703	28,448	27,780	27,754	28,587	28,670	28,932	29,164
30 Borrowings from other than directly-related institutions	78,087	76,509	75,561	75,276	76,895	79,281	77,100	75,139	78,684
31 Federal funds purchased[5]	40,031	37,427	39,571	37,579	38,772	40,238	41,228	39,255	43,179
32 From commercial banks in the United States	11,776	9,739	14,427	8,946	11,628	12,238	14,415	10,177	14,121
33 From others	28,255	27,688	25,144	28,633	27,144	28,000	26,812	29,078	29,058
34 Other liabilities for borrowed money	38,056	39,082	35,990	37,696	38,123	39,043	35,873	35,884	35,505
35 To commercial banks in the United States	5,022	5,804	5,517	6,052	5,535	5,715	6,171	6,012	6,003
36 To others	33,035	33,278	30,473	31,645	32,589	33,327	29,702	29,873	29,502
37 Other liabilities to nonrelated parties	28,464	29,039	29,305	28,769	28,710	28,662	27,084	27,293	27,470
38 **Total liabilities**[6]	**300,675**	**301,910**	**303,905**	**305,879**	**305,591**	**310,778**	**309,949**	**309,655**	**314,422**
MEMO									
39 Total loans (gross) and securities, adjusted[7]	215,963	215,261	217,285	218,573	216,376	221,502	221,145	220,676	223,618
40 Net owed to related institutions abroad	77,937	78,485	80,353	81,395	75,390	78,965	76,990	79,172	79,711

1. Includes securities purchased under agreements to resell.
2. Includes transactions with nonbank brokers and dealers in securities.
3. Includes net due from related institutions abroad for U.S. branches and agencies of foreign banks having a net "due from" position.
4. Includes other transaction deposits.
5. Includes securities sold under agreements to repurchase.
6. Includes net owed to related institutions abroad for U.S. branches and agencies of foreign banks having a net "due to" position.
7. Excludes loans to and federal funds transactions with commercial banks in the United States.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Item	Year ending December					1993					
	1988	1989	1990	1991	1992	June	July	Aug.	Sept.	Oct.	Nov.
	Commercial paper (seasonally adjusted unless noted otherwise)										
1 **All issuers**	**458,464**	**525,831**	**562,656**	**531,724**	**549,433**	**544,107**	**539,149**	**545,527**	**541,285**	**550,463**	
Financial companies[1]											
Dealer-placed paper[2]											
2 Total	159,777	183,622	214,706	213,823	228,260	221,834	210,224	216,245	215,077	222,981	
3 Bank-related (not seasonally adjusted)[3]	1,248	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Directly placed paper[4]											
4 Total	194,931	210,930	200,036	183,379	172,813	171,479	170,192	172,093	169,431	170,965	
5 Bank-related (not seasonally adjusted)[3]	43,155	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
6 Nonfinancial companies[5]	103,756	131,279	147,914	134,522	148,360	150,794	158,733	157,189	156,777	156,517	
	Bankers dollar acceptances (not seasonally adjusted)[6]										
7 **Total**	**66,631**	**62,972**	**54,771**	**43,770**	**38,194**[r]	**34,149**	**33,120**	**32,572**	**33,041**	**33,069**	**31,997**
By holder											
8 Accepting banks	9,086	9,433	9,017	11,017	10,555[r]	11,568	11,422	12,416	12,522	12,332	12,289
9 Own bills	8,022	8,510	7,930	9,347	9,097[r]	10,236	10,140	10,709	10,679	10,886	10,667
10 Bills bought from other banks	1,064	924	1,087	1,670	1,458	1,333	1,282	1,707	1,843	1,446	1,622
Federal Reserve Banks[7]											
11 Foreign correspondents	1,493	1,066	918	1,739	1,276	613	582	635	637	582	650
12 Others	56,052	52,473	44,836	31,014	26,364	21,967	21,116	19,521	19,882	20,155	19,058
By basis											
13 Imports into United States	14,984	15,651	13,095	12,843	12,209[r]	10,066	10,149	10,422	10,773	10,810	10,368
14 Exports from United States	14,410	13,683	12,703	10,351	8,096[r]	7,650	7,673	7,534	7,460	7,101	7,054
15 All other	37,237	33,638	28,973	20,577	17,890[r]	16,433	15,299	14,616	14,808	15,158	14,575

1. Institutions engaged primarily in commercial, savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.
2. Includes all financial-company paper sold by dealers in the open market.
3. Series were discontinued in January 1989.
4. As reported by financial companies that place their paper directly with investors.
5. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.
6. Data on bankers dollar acceptances are gathered from approximately 100 institutions. The reporting group is revised every January.
7. In 1977 the Federal Reserve discontinued operations in bankers dollar acceptances for its own account.

1.33 PRIME RATE CHARGED BY BANKS Short-Term Business Loans[1]

Percent per year

Date of change	Rate	Period	Average rate	Period	Average rate	Period	Average rate
1991— Jan. 1	10.00	1991	8.46	1992— Jan.	6.50	1993— Jan.	6.00
2	9.50	1992	6.25	Feb.	6.50	Feb.	6.00
Feb. 4	9.00	1993	6.00	Mar.	6.50	Mar.	6.00
May 1	8.50			Apr.	6.50	Apr.	6.00
Sept. 13	8.00	1991— Jan.	9.52	May	6.50	May	6.00
Nov. 6	7.50	Feb.	9.05	June	6.50	June	6.00
Dec. 23	6.50	Mar.	9.00	July	6.02	July	6.00
		Apr.	9.00	Aug.	6.00	Aug.	6.00
1992— July 2	6.00	May	8.50	Sept.	6.00	Sept.	6.00
		June	8.50	Oct.	6.00	Oct.	6.00
		July	8.50	Nov.	6.00	Nov.	6.00
		Aug.	8.50	Dec.	6.00	Dec.	6.00
		Sept.	8.20				
		Oct.	8.00			1994— Jan.	6.00
		Nov.	7.58				
		Dec.	7.21				

1. The prime rate is one of several base rates that banks use to price short-term business loans. The table shows the date on which a new rate came to be the predominant one quoted by a majority of the twenty-five largest banks by asset size, based on the most recent Call Report. Data in this table also appear in the Board's H.15 (519) weekly and G.13 (415) monthly statistical releases. For ordering address, see inside front cover.

1.35 INTEREST RATES Money and Capital Markets

Averages, percent per year; figures are averages of business day data unless otherwise noted

Item	1991	1992	1993	1993				1993, week ending				
				Sept.	Oct.	Nov.	Dec.	Dec. 3	Dec. 10	Dec. 17	Dec. 24	Dec. 31
MONEY MARKET INSTRUMENTS												
1 Federal funds[1,2,3]	5.69	3.52	3.02	3.09	2.99	3.02	2.96	3.09	2.92	2.94	2.99	2.99
2 Discount window borrowing[2,4]	5.45	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Commercial paper[3,5,6]												
3 1-month	5.89	3.71	3.17	3.14	3.14	3.15	3.35	3.27	3.41	3.34	3.31	3.35
4 3-month	5.87	3.75	3.22	3.16	3.26	3.40	3.36	3.44	3.40	3.34	3.30	3.32
5 6-month	5.85	3.80	3.30	3.25	3.27	3.43	3.40	3.46	3.42	3.38	3.36	3.38
Finance paper, directly placed[3,5,7]												
6 1-month	5.73	3.62	3.12	3.07	3.08	3.08	3.21	3.14	3.26	3.20	3.18	3.20
7 3-month	5.71	3.65	3.16	3.09	3.16	3.25	3.19	3.26	3.21	3.16	3.13	3.18
8 6-month	5.60	3.63	3.15	3.11	3.13	3.19	3.18	3.21	3.19	3.18	3.17	3.18
Bankers acceptances[3,5,8]												
9 3-month	5.70	3.62	3.13	3.07	3.19	3.29	3.23	3.30	3.26	3.20	3.18	3.21
10 6-month	5.67	3.67	3.21	3.17	3.19	3.32	3.30	3.34	3.30	3.28	3.27	3.29
Certificates of deposit, secondary market[3,9]												
11 1-month	5.82	3.64	3.11	3.09	3.09	3.11	3.26	3.34	3.33	3.21	3.18	3.22
12 3-month	5.83	3.68	3.17	3.12	3.24	3.35	3.26	3.35	3.31	3.23	3.20	3.24
13 6-month	5.91	3.76	3.28	3.24	3.25	3.39	3.35	3.40	3.37	3.35	3.34	3.33
14 Eurodollar deposits, 3-month[3,10]	5.86	3.70	3.18	3.08	3.26	3.36	3.26	3.38	3.33	3.21	3.17	3.23
U.S. Treasury bills[5]												
Secondary market[3,5]												
15 3-month	5.38	3.43	3.00	2.95	3.02	3.10	3.06	3.12	3.07	3.04	3.06	3.02
16 6-month	5.44	3.54	3.12	3.06	3.12	3.26	3.23	3.27	3.25	3.24	3.22	3.21
17 1-year	5.52	3.71	3.29	3.22	3.25	3.42	3.45	3.46	3.44	3.47	3.45	3.45
Auction average[3,5,11]												
18 3-month	5.42	3.45	3.02	2.96	3.04	3.12	3.08	3.12	3.11	3.06	3.06	3.06
19 6-month	5.49	3.57	3.14	3.06	3.13	3.27	3.25	3.26	3.27	3.26	3.25	3.21
20 1-year	5.54	3.75	3.33	3.27	3.25	3.43	3.47	n.a.	n.a.	3.47	n.a.	n.a.
U.S. TREASURY NOTES AND BONDS												
Constant maturities[12]												
21 1-year	5.86	3.89	3.43	3.36	3.39	3.58	3.61	3.62	3.60	3.61	3.60	3.61
22 2-year	6.49	4.77	4.05	3.85	3.87	4.16	4.21	4.21	4.19	4.23	4.21	4.22
23 3-year	6.82	5.30	4.44	4.17	4.18	4.50	4.54	4.54	4.51	4.57	4.54	4.53
24 5-year	7.37	6.19	5.14	4.73	4.71	5.06	5.15	5.14	5.10	5.18	5.16	5.14
25 7-year	7.68	6.63	5.54	5.08	5.05	5.45	5.48	5.51	5.42	5.53	5.50	5.47
26 10-year	7.86	7.01	5.87	5.36	5.33	5.72	5.77	5.80	5.71	5.82	5.79	5.77
27 20-year	n.a.	n.a.	6.29	n.a.	6.07	6.38	6.40	6.42	6.31	6.45	6.41	6.41
28 30-year	8.14	7.67	6.59	6.00	5.94	6.21	6.25	6.26	6.17	6.28	6.27	6.28
Composite												
29 More than 10 years (long-term)	8.16	7.52	6.45	5.94	5.90	6.25	6.27	6.29	6.19	6.31	6.28	6.27
STATE AND LOCAL NOTES AND BONDS												
Moody's series[13]												
30 Aaa	6.56	6.09	n.a.	5.25	5.13	5.10	n.a.	5.17	5.19	5.18	5.18	5.18
31 Baa	6.99	6.48	n.a.	5.76	5.63	5.61	n.a.	5.68	5.70	5.68	5.68	5.68
32 *Bond Buyer* series[14]	6.92	6.44	5.60	5.29	5.25	5.47	5.35	5.46	5.33	5.36	5.34	5.28
CORPORATE BONDS												
33 Seasoned issues, all industries[15]	9.23	8.55	7.54	6.98	6.97	7.25	7.26	7.28	7.19	7.30	7.28	7.28
Rating group												
34 Aaa	8.77	8.14	7.22	6.66	6.67	6.93	6.93	6.95	6.86	6.97	6.95	6.94
35 Aa	9.05	8.46	7.40	6.85	6.87	7.12	7.12	7.13	7.04	7.15	7.15	7.15
36 A	9.30	8.62	7.58	7.05	7.04	7.29	7.31	7.32	7.23	7.35	7.33	7.33
37 Baa	9.80	8.98	7.93	7.34	7.31	7.66	7.69	7.70	7.61	7.72	7.70	7.71
38 A-rated, recently offered utility bonds[16]	9.32	8.52	7.46	6.94	6.91	7.25	7.28	7.24	7.24	7.33	7.26	7.34
MEMO												
Dividend-price ratio[17]												
39 Preferred stocks	8.17	7.46	n.a.	6.70	6.71	6.87	7.01	6.96	7.04	7.07	7.07	6.91
40 Common stocks	3.24	2.99	n.a.	2.73	2.72	2.72	2.72	2.73	2.71	2.74	2.74	2.71

1. The daily effective federal funds rate is a weighted average of rates on trades through New York brokers.
2. Weekly figures are averages of seven calendar days ending on Wednesday of the current week; monthly figures include each calendar day in the month.
3. Annualized using a 360-day year or bank interest.
4. Rate for the Federal Reserve Bank of New York.
5. Quoted on a discount basis.
6. An average of offering rates on commercial paper placed by several leading dealers for firms whose bond rating is AA or the equivalent.
7. An average of offering rates on paper directly placed by finance companies.
8. Representative closing yields for acceptances of the highest-rated money center banks.
9. An average of dealer offering rates on nationally traded certificates of deposit.
10. Bid rates for Eurodollar deposits at 11:00 a.m. London time. Data are for indication purposes only.
11. Auction date for daily data; weekly and monthly averages computed on an issue-date basis.
12. Yields on actively traded issues adjusted to constant maturities. Source: U.S. Treasury.
13. General obligations based on Thursday figures; Moody's Investors Service.
14. General obligations only, with twenty years to maturity, issued by twenty state and local governmental units of mixed quality. Based on figures for Thursday.
15. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.
16. Compilation of the Federal Reserve. This series is an estimate of the yield on recently offered, A-rated utility bonds with a thirty-year maturity and five years of call protection. Weekly data are based on Friday quotations.
17. Standard & Poor's corporate series. Preferred stock ratio is based on a sample of ten issues: four public utilities, four industrials, one financial, and one transportation. Common stock ratio is based on the 500 stocks in the price index.

NOTE. Some of the data in this table also appear in the Board's H.15 (519) weekly and G.13 (415) monthly statistical releases. For ordering address, see inside front cover.

1.36 STOCK MARKET Selected Statistics

Indicator	1991	1992	1993	1993 Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Prices and trading volume (averages of daily figures)											
Common stock prices (indexes)												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	206.35	229.00	249.71	244.72	246.02	247.16	247.85	251.93	254.86	257.53	255.93	257.73
2 Industrial	258.16	284.26	300.10	292.19	297.83	298.78	295.34	298.83	300.92	306.61	310.84	313.22
3 Transportation	173.97	201.02	242.68	237.97	237.80	234.30	238.30	250.82	247.74	254.04	262.96	268.11
4 Utility	92.64	99.48	114.55	113.78	111.21	113.27	116.27	118.72	122.32	120.49	115.08	114.97
5 Finance	150.84	179.29	216.55	216.02	209.40	209.75	218.89	224.96	229.35	228.18	214.08	216.00
6 Standard & Poor's Corporation (1941–43 = 10)[1]	376.20	415.75	451.63	443.08	445.25	448.06	447.29	454.13	459.24	463.90	462.89	465.95
7 American Stock Exchange (Aug. 31, 1973 = 50)[2]	360.32	391.28	438.77	418.54	429.72	436.13	434.99	444.75	454.91	472.73	472.41	465.95
Volume of trading (thousands of shares)												
8 New York Stock Exchange	179,411	202,558	263,374	279,778	255,843	250,230	247,574	247,324	261,770	280,503	277,886	259,457
9 American Stock Exchange	12,486	14,171	n.a.	15,521	20,433	17,753	17,744	19,352	18,889	21,279	18,436	17,461
	Customer financing (millions of dollars, end-of-period balances)											
10 **Margin credit at broker–dealers**[3]	***36,660***	***43,990***	***60,310***	***47,420***	***48,630***	***49,550***	***49,080***	***52,760***	***53,700***	***56,690***	***59,760***	***60,310***
Free credit balances at brokers[4]												
11 Margin accounts[5]	8,290	8,970	12,360	9,805	9,560	9,820	9,585	9,480	10,030	10,270	10,940	12,360
12 Cash accounts	19,255	22,510	27,715	21,450	21,610	22,625	21,475	21,915	23,170	22,450	23,560	27,715

	Margin requirements (percent of market value and effective date)[5]					
	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974
13 Margin stocks	70	80	65	55	65	50
14 Convertible bonds	50	60	50	50	50	50
15 Short sales	70	80	65	55	65	50

1. Effective July 1976, includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.

2. On July 5, 1983, the American Stock Exchange rebased its index, effectively cutting previous readings in half.

3. Since July 1983, under the revised Regulation T, margin credit at broker-dealers has included credit extended against stocks, convertible bonds, stocks acquired through the exercise of subscription rights, corporate bonds, and government securities. Separate reporting of data for margin stocks, convertible bonds, and subscription issues was discontinued in April 1984.

4. Free credit balances are amounts in accounts with no unfulfilled commitments to brokers and are subject to withdrawal by customers on demand.

5. New series since June 1984.

6. These requirements, stated in regulations adopted by the Board of Governors pursuant to the Securities Exchange Act of 1934, limit the amount of credit that can be used to purchase and carry "margin securities" (as defined in the regulations) when such credit is collateralized by securities. Margin requirements on securities other than options are the difference between the market value (100 percent) and the maximum loan value of collateral as prescribed by the Board. Regulation T was adopted effective Oct. 15, 1934; Regulation U, effective May 1, 1936; Regulation G, effective Mar. 11, 1968; and Regulation X, effective Nov. 1, 1971.

On Jan. 1, 1977, the Board of Governors for the first time established in Regulation T the initial margin required for writing options on securities, setting it at 30 percent of the current market value of the stock underlying the option. On Sept. 30, 1985, the Board changed the required initial margin, allowing it to be the same as the option maintenance margin required by the appropriate exchange or self-regulatory organization; such maintenance margin rules must be approved by the Securities and Exchange Commission. Effective Jan. 31, 1986, the SEC approved new maintenance margin rules, permitting margins to be the price of the option plus 15 percent of the market value of the stock underlying the option.

Effective June 8, 1988, margins were set to be the price of the option plus 20 percent of the market value of the stock underlying the option (or 15 percent in the case of stock-index options).

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year			Calendar year					
				1993					
	1991	1992	1993	July	Aug.	Sept.	Oct.	Nov.	Dec.
U.S. budget[1]									
1 Receipts, total	1,054,264	1,090,453	1,153,147	80,626	86,734	127,469	78,668	83,107	125,416
2 On-budget	760,380	788,027	841,213	57,139	62,053	98,609	55,864	58,700	99,722
3 Off-budget	293,885	302,426	311,934	23,487	24,681	28,860	22,804	24,407	25,694
4 Outlays, total	1,323,785	1,380,794	1,407,831	120,204	109,812	118,904	124,090	121,488	133,667
5 On-budget	1,082,098	1,128,455	1,141,819	96,238	84,946	90,774	100,568	96,724	121,985
6 Off-budget	241,687	252,339	266,012	23,965	24,867	28,130	23,523	24,764	11,682
7 Surplus or deficit (−), total	−269,521	−290,340	−254,684	−39,577	−23,078	8,565	−45,422	−38,381	−8,252
8 On-budget	−321,719	−340,428	−300,605	−39,099	−22,893	7,835	−44,704	−38,024	−22,263
9 Off-budget	52,198	50,087	45,922	−478	−186	730	−719	−357	14,012
Source of financing (total)									
10 Borrowing from the public	276,802	310,918	248,619	1,055	54,301	−9,346	4,255	71,028	13,995
11 Operating cash (decrease, or increase (−))	−1,329	−17,305	6,283	32,447	−12,652	−11,713	33,646	−13,450	−17,413
12 Other[2]	−5,952	−3,273	−218	6,075	−18,571	12,494	7,521	−19,197	11,670
MEMO									
13 Treasury operating balance (level, end of period)	41,484	58,789	52,506	28,141	40,793	52,506	18,860	32,310	49,723
14 Federal Reserve Banks	7,928	24,586	17,289	5,818	7,975	17,289	6,032	6,334	14,809
15 Tax and loan accounts	33,556	34,203	35,217	22,324	32,818	35,217	12,828	25,977	34,914

1. In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, all former off-budget entries are now presented on-budget. Federal Financing Bank (FFB) activities are now shown as separate accounts under the agencies that use the FFB to finance their programs. The act has also moved two social security trust funds, (federal old-age survivors insurance and federal disability insurance) off-budget. The Postal Service is included as an off-budget item in the *Monthly Treasury Statement* beginning in 1990.

2. Includes special drawing rights (SDRs); reserve position on the U.S. quota in the International Monetary Fund (IMF); loans to the IMF; other cash and monetary assets; accrued interest payable to the public; allocations of SDRs; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; increment on gold; net gain or loss for U.S. currency valuation adjustment; net gain or loss for IMF loan-valuation adjustment; and profit on sale of gold.

SOURCES. U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government* and Office of Management and Budget, *Budget of the U.S. Government*.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS[1]

Millions of dollars

Source or type	Fiscal year		Calendar year						
	1992	1993	1992		1993		1993		
			H1	H2	H1	H2	Oct.	Nov.	Dec.
RECEIPTS									
1 **All sources**	**1,090,453**	**1,153,147[r]**	**560,318**	**540,472**	**593,187[r]**	**582,020**	**78,668[r]**	**83,107**	**125,416**
2 Individual income taxes, net	475,964	509,680	236,576	246,938	255,556	262,073	37,680	37,634	54,183
3 Withheld	408,352	430,427	198,868	215,584[r]	210,066	228,429	34,284	37,823	51,184
4 Presidential Election Campaign Fund	30	28	20	10	25	2	27	−27	0
5 Nonwithheld	149,342	154,772	110,995	39,288[r]	113,482	41,765	4,053	1,945	3,501
6 Refunds	81,760	75,546	73,308	7,942[r]	67,468	8,114	684	2,107	502
Corporation income taxes									
7 Gross receipts	117,951	131,548	61,682	58,022	69,044	68,266	4,269	2,855	28,963
8 Refunds	17,680	14,027	9,403	7,219	7,198	6,514	2,111	647	725
9 Social insurance taxes and contributions, net	413,689	428,300	224,569	192,599	227,177	206,174	30,828	34,683	33,954
10 Employment taxes and contributions[2]	385,491	396,939	208,110	180,758	208,776	192,749	29,440	31,525	33,273
11 Self-employment taxes and contributions[3]	24,421	20,604	20,434	3,988	16,270	4,335	0	0	0
12 Unemployment insurance	23,410	26,556	14,070	9,397	16,074	11,010	1,046	2,773	259
13 Other net receipts[4]	4,788	4,805	2,389	2,445	2,326	2,417	343	385	423
14 Excise taxes	45,569	48,057	22,389	23,456	23,398	25,994	3,597	4,808	4,695
15 Customs deposits	17,359	18,802	8,146	9,497	8,860	10,215	1,708	1,688	1,584
16 Estate and gift taxes	11,143	12,577	5,701	5,733	6,494	6,617	990	1,305	1,179
17 Miscellaneous receipts[5]	26,459	18,211[r]	10,658	11,446	9,854[r]	9,192	1,706[r]	781	1,582
OUTLAYS									
18 **All types**	**1,380,794**	**1,407,831[r]**	**704,266**	**723,515**	**673,315[r]**	**728,165**	**124,090[r]**	**121,488**	**133,667**
19 National defense	298,350	290,590	147,065	155,231[r]	140,535	146,177	24,281	22,990	26,809
20 International affairs	16,107	17,175	8,540	9,916	6,565	10,534	4,732	1,964	548
21 General science, space, and technology	16,409	17,055	7,951	8,521	7,996	8,904	1,421	1,522	1,496
22 Energy	4,499	4,445	1,442	3,109	2,462	1,641	424[r]	510	385
23 Natural resources and environment	20,025	20,088	8,594	11,467	8,588	11,077	1,911	2,784	1,567
24 Agriculture	15,205	20,257	7,526	8,852[r]	11,824	7,335	1,442	2,237	3,074
25 Commerce and housing credit	10,118	−23,532	15,615	−7,697[r]	−15,112	−1,724	377	−1,361	1,126
26 Transportation	33,333	35,238	15,651	18,425	16,077	20,375	3,133	3,248	3,714
27 Community and regional development	6,838	10,395	3,903	4,464	4,935	5,606	898	930	772
28 Education, training, employment, and social services	45,250	48,872	23,767	21,241[r]	23,983	25,515	3,586	5,098	4,455
29 Health	89,497	99,249	44,164	47,232	49,882	52,631	9,315	8,675	8,906
30 Social security and Medicare	406,569	435,137	205,500	232,109	195,933	223,735	36,267	37,047	39,720
31 Income security	196,891	207,933	104,537	98,382[r]	108,559	103,163	17,342	16,764	19,771
32 Veterans benefits and services	34,133	35,715	15,597	18,561	16,385	19,848	2,819	3,198	4,469
33 Administration of justice	14,426	14,983	7,435	7,238	7,463	7,448	1,011	1,306	1,244
34 General government	12,945	13,039	5,050	8,223	5,205	6,565	640	1,317	1,708
35 Net interest[6]	199,439	198,870	100,161	98,692[r]	99,635	99,963	17,082	16,171	16,638
36 Undistributed offsetting receipts[7]	−39,280	−37,386	−18,229	−20,628	−17,035	−20,407	−2,593	−2,910	−2,737

1. Functional details do not sum to total outlays for calendar year data because revisions to monthly totals have not been distributed among functions. Fiscal year total for outlays does not correspond to calendar year data because revisions from the *Budget* have not been fully distributed across months.
2. Old-age, disability, and hospital insurance, and railroad retirement accounts.
3. Old-age, disability, and hospital insurance.
4. Federal employee retirement contributions and civil service retirement and disability fund.
5. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.
6. Includes interest received by trust funds.
7. Consists of rents and royalties for the outer continental shelf and U.S. government contributions for employee retirement.

SOURCES. U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*, and the U.S. Office of Management and Budget, *Budget of the U.S. Government, Fiscal Year 1994.*

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

Item	1991	1992				1993			
	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
1 **Federal debt outstanding**	**3,820**	**3,897**	**4,001**	**4,083**	**4,196**	**4,250**	**4,373**	**4,436**	n.a.
2 Public debt securities	3,802	3,881	3,985	4,065	4,177	4,231	4,352	4,412	4,536
3 Held by public	2,833	2,918	2,977	3,048	3,129	3,188	3,252	3,295	n.a.
4 Held by agencies	969	964	1,008	1,016	1,048	1,043	1,100	1,117	n.a.
5 Agency securities	19	16	16	18	19	20	21	25	n.a.
6 Held by public	19	16	16	18	19	20	21	25	n.a.
7 Held by agencies	0	0	0	0	0	0	0	0	n.a.
8 **Debt subject to statutory limit**	**3,707**	**3,784**	**3,891**	**3,973**	**4,086**	**4,140**	**4,256**	**4,316**	**4,446**
9 Public debt securities	3,706	3,783	3,890	3,972	4,085	4,139	4,256	4,315	4,445
10 Other debt[1]	0	0	0	0	0	0	0	0	0
MEMO									
11 Statutory debt limit	4,145	4,145	4,145	4,145	4,145	4,145	4,370	4,900	4,900

1. Consists of guaranteed debt of U.S. Treasury and other federal agencies, specified participation certificates, notes to international lending organizations, and District of Columbia stadium bonds.

SOURCES. U.S. Department of the Treasury, *Monthly Statement of the Public Debt of the United States* and *Treasury Bulletin*.

1.41 GROSS PUBLIC DEBT OF U.S. TREASURY Types and Ownership

Billions of dollars, end of period

Type and holder	1990	1991	1992	1993	1993			
					Q1	Q2	Q3	Q4
1 **Total gross public debt**	**3,364.8**	**3,801.7**	**4,177.0**	**4,535.7**	**4,230.6**	**4,352.0**	**4,411.5**	**4,535.7**
By type								
2 Interest-bearing	3,362.0	3,798.9	4,173.9	4,532.3	4,227.6	4,349.0	4,408.6	4,532.3
3 Marketable	2,195.8	2,471.6	2,754.1	2,989.5	2,807.1	2,860.6	2,904.9	2,989.5
4 Bills	527.4	590.4	657.7	714.6	659.9	659.3	658.4	714.6
5 Notes	1,265.2	1,430.8	1,608.9	1,764.0	1,652.1	1,698.7	1,734.2	1,764.0
6 Bonds	388.2	435.5	472.5	495.9	480.2	487.6	497.4	495.9
7 Nonmarketable[1]	1,166.2	1,327.2	1,419.8	1,542.9	1,420.5	1,488.4	1,503.7	1,542.9
8 State and local government series	160.8	159.7	153.5	149.5	151.6	152.8	149.5	149.5
9 Foreign issues[2]	43.5	41.9	37.4	43.5	37.0	43.0	42.5	43.5
10 Government	43.5	41.9	37.4	43.5	37.0	43.0	42.5	43.5
11 Public	.0	.0	.0	.0	.0	.0	.0	.0
12 Savings bonds and notes	124.1	135.9	155.0	169.4	161.4	164.4	167.0	169.4
13 Government account series[3]	813.8	959.2	1,043.5	1,150.0	1,040.0	1,097.8	1,114.3	1,150.0
14 Non-interest-bearing	2.8	2.8	3.1	3.4	3.0	2.9	2.9	3.4
By holder[4]								
15 U.S. Treasury and other federal agencies and trust funds	828.3	968.7	1,047.8		1,043.2	1,099.8	1,116.7	
16 Federal Reserve Banks	259.8	281.8	302.5		305.2	328.2	325.7	
17 Private investors	2,288.3	2,563.2	2,839.9		2,895.0	2,938.4	2,983.0	
18 Commercial banks	171.5	233.4	294.0		310.0	305.9r	306.0	
19 Money market funds	45.4	80.0	79.4		77.7	76.2r	75.2	
20 Insurance companies	142.0	168.7	197.5r		205.0r	208.1r	210.0	
21 Other companies	108.9	150.8	192.5	n.a.	199.3	206.1	215.6	n.a.
22 State and local treasuries	490.4	520.3	534.8		541.0	553.9r	558.0	
Individuals								
23 Savings bonds	126.2	138.1	157.3		163.6	166.5	169.1	
24 Other securities	107.6	125.8	131.9		134.1	136.4	136.7	
25 Foreign and international[5]	458.4	491.8	549.7r		565.5r	568.2r	592.3	
26 Other miscellaneous investors[6]	637.7	651.3	702.4r		698.8r	717.0r	720.0	

1. Includes (not shown separately) securities issued to the Rural Electrification Administration, depository bonds, retirement plan bonds, and individual retirement bonds.
2. Nonmarketable series denominated in dollars, and series denominated in foreign currency held by foreigners.
3. Held almost entirely by U.S. Treasury and other federal agencies and trust funds.
4. Data for Federal Reserve Banks and U.S. government agencies and trust funds are actual holdings; data for other groups are Treasury estimates.
5. Consists of investments of foreign balances and international accounts in the United States.
6. Includes savings and loan associations, nonprofit institutions, credit unions, mutual savings banks, corporate pension trust funds, dealers and brokers, certain U.S. Treasury deposit accounts, and federally sponsored agencies.

SOURCES. U.S. Treasury Department, data by type of security, *Monthly Statement of the Public Debt of the United States;* data by holder, *Treasury Bulletin*.

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions[1]

Millions of dollars, daily averages

Item	1993			1993, week ending									
	Sept.	Oct.	Nov.	Nov. 3	Nov. 10	Nov. 17	Nov. 24	Dec. 1	Dec. 8	Dec. 15	Dec. 22	Dec. 29
IMMEDIATE TRANSACTIONS[2]												
By type of security												
U.S. Treasury securities												
1 Bills	43,380[r]	39,670[r]	47,256	42,764	51,270	53,746	44,817	40,470	45,673	45,239	44,282	31,220
Coupon securities, by maturity												
2 Less than 3.5 years	49,496	44,600	52,959	54,168	65,570	47,528	50,258	42,476	42,231	40,198	40,743	22,716
3 3.5 to 7.5 years	48,286[r]	43,354[r]	45,242	50,175	44,918	41,249	52,676	33,781	34,110	33,711	32,879	16,731
4 7.5 to 15 years	26,328	25,444	26,971	28,309	33,080	25,872	24,315	21,341	22,327	19,027	14,369	9,275
5 15 years or more	22,996	19,347	17,995	22,687	20,214	17,198	15,981	14,026	16,112	16,105	11,926	7,553
Federal agency securities												
Debt, by maturity												
6 Less than 3.5 years	8,633	9,959	9,971	10,066	8,236	10,661	11,375	9,505	9,858	9,438	10,390	10,248
7 3.5 to 7.5 years	661	734	718	641	729	919	783	398	785	583	489	303
8 7.5 years or more	653	567	396	541	381	379	410	273	572	706	365	212
Mortgage-backed												
9 Pass-throughs	20,614[r]	20,766[r]	22,489	16,423	29,570	26,079	18,801	18,113	21,419	24,269	17,601	12,630
10 All others[3]	3,239[r]	2,853[r]	3,064	3,154	3,198	2,678	3,220	3,006	3,133	3,217	2,890	1,523
By type of counterparty												
Primary dealers and brokers												
11 U.S. Treasury securities	119,572[r]	106,341[r]	120,636	126,621	138,715	114,888	119,595	93,917	99,035	95,238	87,382	50,896
Federal agency securities												
12 Debt	1,466	1,487	1,623	1,461	1,409	1,752	1,855	1,585	1,518	1,508	1,032	915
13 Mortgage-backed	9,681[r]	10,194[r]	10,965	7,348	14,278	11,608	10,224	9,436	8,942	11,425	8,413	6,509
Customers												
14 U.S. Treasury securities	70,914[r]	66,073[r]	69,787	71,482	76,338	70,704	68,453	58,177	61,417	59,043	56,818	36,599
Federal agency securities												
15 Debt	8,481	9,773	9,461	9,787	7,937	10,206	10,713	8,592	9,698	9,219	10,212	9,848
16 Mortgage-backed	14,172[r]	13,427[r]	14,589	12,230	18,490	17,149	11,797	11,683	15,610	16,060	12,078	7,644
FUTURES AND FORWARD TRANSACTIONS[4]												
By type of deliverable security												
U.S. Treasury securities												
17 Bills	2,504	2,445	2,746	2,484	4,965	1,792	1,568	2,543	2,616	1,592	1,474	792
Coupon securities, by maturity												
18 Less than 3.5 years	2,254	1,603	2,276	1,728	2,166	2,244	2,920	1,976	1,785	1,648	2,262	1,200
19 3.5 to 7.5 years	2,220	1,530	2,158	1,967	2,048	1,759	2,640	2,259	1,763	1,751	2,673	858
20 7.5 to 15 years	3,040	3,153	4,192	4,211	4,309	4,022	4,388	3,879	4,020	2,725	3,034	1,540
21 15 years or more	13,177[r]	11,266[r]	12,704	15,775	12,137	11,879	13,554	10,260	11,751	9,948	7,336	4,840
Federal agency securities												
Debt, by maturity												
22 Less than 3.5 years	150	47	77	111	147	6	69	31	14	22	13	49
23 3.5 to 7.5 years	90	107[r]	93	122	132	111	48	52	57	64	13	66
24 7.5 years or more	30	33	29	71	18	30	9	37	73	136	71	9
Mortgage-backed												
25 Pass-throughs	26,532[r]	26,416[r]	26,164	29,160	38,228	24,198	19,934	16,068	19,839	28,154	14,250	7,268
26 Others[3]	1,955[r]	2,283[r]	1,916	2,328	1,996	1,393	2,664	819	1,079	1,116	3,142	1,893
OPTIONS TRANSACTIONS[5]												
By type of underlying security												
U.S. Treasury, coupon securities, by maturity												
27 Less than 3.5 years	1,768	1,956	2,121	2,199	2,178	2,024	2,496	1,452	2,154	1,821	1,208	1,258
28 3.5 to 7.5 years	852	699	618	744	572	434	983	208	277	315	266	487
29 7.5 to 15 years	863	610	770	666	526	793	1,182	560	737	561	587	663
30 15 years or more	3,645	1,782	2,120	1,943	2,104	1,560	3,142	1,364	1,162	1,388	1,306	616
Federal agency, mortgage-backed securities												
31 Pass-throughs	805	888	942	943	907	594	1,254	943	774	748	247	199

1. Transactions are market purchases and sales of securities as reported to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Averages are based on the number of trading days in the period. Immediate, forward, and futures transactions are reported at principal value, which does not include accrued interest; options transactions are reported at the face value of the underlying securities.

Dealers report cumulative transactions for each week ending Wednesday.

2. Transactions for immediate delivery include purchases or sales of securities (other than mortgage-backed agency securities) for which delivery is scheduled in five business days or less and "when-issued" securities that settle on the issue date of offering. Transactions for immediate delivery of mortgage-backed agency securities include purchases and sales for which delivery is scheduled in thirty business days or less. Stripped securities are reported at market value by maturity of coupon or corpus.

3. Includes such securities as collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), interest-only securities (IOs), and principal-only securities (POs).

4. Futures transactions are standardized agreements arranged on an exchange. Forward transactions are agreements made in the over-the-counter market that specify delayed delivery. All futures transactions are included regardless of time to delivery. Forward contracts for U.S. Treasury securities and federal agency debt securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed agency securities are included when the time to delivery is more than thirty business days.

5. Options transactions are purchases or sales of put-and-call options, whether arranged on an organized exchange or in the over-the-counter market, and include options on futures contracts on U.S. Treasury and federal agency securities.

NOTE. In tables 1.42 and 1.43, "n.a." indicates that data are not published because of insufficient activity.

Data for several types of options transactions—U.S. Treasury securities, bills; Federal agency securities, debt; and federal agency securities, mortgage-backed, other than pass-throughs—are no longer available because activity is insufficient.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing[1]

Millions of dollars

Item	1993 Sept.	1993 Oct.[r]	1993 Nov.	1993, week ending Nov. 3	Nov. 10	Nov. 17	Nov. 24	Dec. 1	Dec. 8	Dec. 15	Dec. 22
	Positions[2]										
NET IMMEDIATE POSITIONS[3]											
By type of security											
U.S. Treasury securities											
1 Bills	6,161	2,561	16,062	−4,788	18,547	21,360	19,520	13,370	13,655	21,762	16,961
Coupon securities, by maturity											
2 Less than 3.5 years	1,901	−2,850	−3,830	−689	2	−6,995	−2,301	−7,960	−11,761	−10,823	−4,585
3 3.5 to 7.5 years	−21,050	−22,479	−24,582	−23,275	−26,574	−26,279	−23,562	−22,120	−22,873	−20,969	−15,272
4 7.5 to 15 years	−3,312	−6,635	−890	−5,902	488	379	−428	−2,009	−331	−1,680	−3,332
5 15 years or more	10,167	6,313	3,050	5,302	4,827	2,802	2,297	1,019	2,053	−1,987	−31
Federal agency securities											
Debt, by maturity											
6 Less than 3.5 years	9,784	11,014	9,381	11,900	10,798	7,513	9,910	8,028	6,542	9,113	10,756
7 3.5 to 7.5 years	3,289	3,363	3,189	3,257	3,124	3,187	3,136	3,295	3,546	3,398	3,516
8 7.5 years or more	4,083	4,497	4,089	4,321	4,025	4,107	3,934	4,206	4,354	4,371	4,754
Mortgage-backed											
9 Pass-throughs	53,317	52,587	44,884	43,983	50,417	50,861	48,537	27,645	37,094	39,944	42,441
10 All others[4]	35,409[r]	37,476	34,391	40,005	37,504	33,304	31,103	33,054	31,333	30,959	27,805
Other money market instruments											
11 Certificates of deposit	2,705	3,363	3,428	3,280	3,424	3,125	3,410	3,879	2,939	3,210	4,003
12 Commercial paper	7,530	6,459	7,595	7,082	7,327	6,036	7,991	9,522	5,806	10,059	7,984
13 Bankers acceptances	1,103	1,287	1,432	1,056	1,505	1,463	1,438	1,490	1,383	1,200	1,054
FUTURES AND FORWARD POSITIONS[5]											
By type of deliverable security											
U.S. Treasury securities											
14 Bills	−4,347	4,571	4,475	8,450	5,986	3,718	4,263	1,855	−1,999	−1,708	1,514
Coupon securities, by maturity											
15 Less than 3.5 years	−1,829	−617	−952	−407	−472	−532	−2,131	−901	−2,150	−1,965	−1,461
16 3.5 to 7.5 years	933	2,585	1,646	2,943	2,638	1,465	1,428	307	1,380	982	−156
17 7.5 to 15 years	8,185	10,436	10,952	13,402	11,828	10,312	10,539	9,931	8,750	9,083	7,424
18 15 years or more	−6,532	−3,013	−1,670	−1,869	−985	−290	−2,942	−2,496	−3,941	−2,877	−4,551
Federal agency securities											
Debt, by maturity											
19 Less than 3.5 years	107	26	15	242	37	17	−113	23	13	−25	18
20 3.5 to 7.5 years	−7	−111	68	−77	−50	157	201	18	−32	−7	−6
21 7.5 years or more	0	26	−8	−28	−28	−15	60	−47	−17	158	−5
Mortgage-backed											
22 Pass-throughs	−40,809	−37,665	−21,802	−25,050	−33,068	−26,614	−20,916	−2,456	−13,310	−10,046	−12,517
23 All others[4]	7,468	6,104	2,417	3,530	2,816	3,154	3,081	−240	248	321	3,241
24 Certificates of deposit	−215,144[r]	−226,017	−226,180	−217,517	−237,362	−228,654	−216,838	−225,477	−232,840	−229,415	−223,011
	Financing[6]										
Reverse repurchase agreements											
25 Overnight and continuing	241,660	239,427	228,936	245,950	232,831	239,996	204,316	231,703	226,668	239,877	222,401
26 Term	402,712	424,391	409,163	424,660	444,897	400,806	411,929	366,248	392,063	399,619	401,470
Repurchase agreements											
27 Overnight and continuing	471,885	454,395	435,254	456,450	428,833	463,030	385,292	458,032	429,671	478,417	439,708
28 Term	367,019	383,016	380,455	373,973	411,939	362,916	426,793	313,364	355,118	362,142	399,841
Securities borrowed											
29 Overnight and continuing	134,602	137,205	135,624	140,664	135,791	137,065	128,289	139,783	138,784	142,946	141,172
30 Term	41,872	43,896	47,112	43,118	45,346	45,019	53,407	46,266	48,687	47,007	46,527
Securities loaned											
31 Overnight and continuing	6,593	6,001	6,075	6,296	5,204	6,175	6,524	6,341	5,225	5,384	4,877
32 Term	1,477	1,988	2,556	2,360	3,074	2,350	2,387	2,488	2,717	2,993	2,390
Collateralized loans											
33 Overnight and continuing	16,964	17,715	17,989	16,364	19,761	19,421	16,612	16,669	15,896	15,134	15,436
MEMO: Matched book[7]											
Reverse repurchase agreements											
34 Overnight and continuing	162,624[r]	160,156	158,777	170,789	158,101	164,401	148,147	159,402	157,012	158,680	152,487
35 Term	345,501[r]	369,585	361,098	369,733	393,579	352,808	363,915	325,273	345,235	352,688	352,448
Repurchase agreements											
36 Overnight and continuing	216,717[r]	233,588	223,460	248,183	223,626	237,721	192,335	230,577	221,064	218,183	200,899
37 Term	269,654[r]	285,575	285,451	284,275	318,972	266,354	311,894	238,359	265,942	270,309	299,486

1. Data for positions and financing are obtained from reports submitted to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Weekly figures are close-of-business Wednesday data; monthly figures are averages of weekly data.
2. Securities positions are reported at market value.
3. Net immediate positions include securities purchased or sold (other than mortgage-backed agency securities) that have been delivered or are scheduled to be delivered in five business days or less and "when-issued" securities that settle on the issue date of offering. Net immediate positions of mortgage-backed agency securities include securities purchased or sold that have been delivered or are scheduled to be delivered in thirty business days or less.
4. Includes such securities as collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), interest-only securities (IOs), and principal-only securities (POs).
5. Futures positions reflect standardized agreements arranged on an exchange. Forward positions reflect agreements made in the over-the-counter market that specify delayed delivery. All futures positions are included regardless of time to delivery. Forward contracts for U.S. Treasury securities and federal agency debt securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed agency securities are included when the time to delivery is more than thirty business days.
6. Overnight financing refers to agreements made on one business day that mature on the next business day; continuing contracts are agreements that remain in effect for more than one business day but have no specific maturity and can be terminated without advance notice by either party; term agreements have a fixed maturity of more than one business day.
7. Matched-book data reflect financial intermediation activity in which the borrowing and lending transactions are matched. Matched-book data are included in the financing breakdowns given above. The reverse repurchase and repurchase numbers are not always equal because of the "matching" of securities of different values or different types of collateralization.

NOTE. Data for futures and forward commercial paper and bankers acceptances and for term financing of collateralized loans are no longer available because of insufficient activity.

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1989	1990	1991	1992	1993 June	1993 July	1993 Aug.	1993 Sept.	1993 Oct.
1 **Federal and federally sponsored agencies**	**411,805**	**434,668**	**442,772**	**483,970**	**512,072**	**522,494**	**544,642**	**0**	**0**
2 Federal agencies	35,664	42,159	41,035	41,829	42,218	44,656	44,816	43,753	43,796
3 Defense Department[1]	7	7	7	7	7	7	7	7	7
4 Export-Import Bank[2,3]	10,985	11,376	9,809	7,208	6,258	6,258	6,258	5,801	5,801
5 Federal Housing Administration[4]	328	393	397	374	283	97	154	213	240
6 Government National Mortgage Association certificates of participation[5]	0	0	0	0	0	0	0	0	0
7 Postal Service[6]	6,445	6,948	8,421	10,660	10,182	10,182	10,182	9,732	9,732
8 Tennessee Valley Authority	17,899	23,435	22,401	23,580	25,488	28,112	28,215	28,000	28,016
9 United States Railway Association[6]	0	0	0	0	0	0	0	0	0
10 Federally sponsored agencies[7]	375,428	392,509	401,737	442,141	469,854	477,838	499,826	0	0
11 Federal Home Loan Banks	136,108	117,895	107,543	114,733	127,289	125,448	129,808	132,651	133,365
12 Federal Home Loan Mortgage Corporation	26,148	30,941	30,262	29,631	35,572	42,291	55,421	52,702	0
13 Federal National Mortgage Association	116,064	123,403	133,937	166,300	176,527	180,730	184,924	195,786	193,925
14 Farm Credit Banks[8]	54,864	53,590	52,199	51,910	51,686	51,698	51,406	51,636	51,759
15 Student Loan Marketing Association[9]	28,705	34,194	38,319	39,650	38,884	37,801	38,397	38,795	0
16 Financing Corporation[10]	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation[11]	847	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation[12]	4,522	23,055	29,996	29,996	29,996	29,996	29,996	29,996	29,996
MEMO									
19 **Federal Financing Bank debt**[13]	**134,873**	**179,083**	**185,576**	**154,994**	**132,953**	**132,307**	**128,616**	**129,329**	**127,348**
Lending to federal and federally sponsored agencies									
20 Export-Import Bank[3]	10,979	11,370	9,803	7,202	6,252	6,252	6,252	5,795	5,795
21 Postal Service[6]	6,195	6,698	8,201	10,440	10,182	10,182	10,182	9,732	9,732
22 Student Loan Marketing Association	4,880	4,850	4,820	4,790	4,790	4,790	4,790	4,790	4,760
23 Tennessee Valley Authority	16,519	14,055	10,725	6,975	6,575	6,575	6,325	6,325	6,325
24 United States Railway Association[6]	0	0	0	0	0	0	0	0	0
Other lending[14]									
25 Farmers Home Administration	53,311	52,324	48,534	42,979	39,729	39,129	38,619	38,619	38,619
26 Rural Electrification Administration	19,265	18,890	18,562	18,172	17,895	17,883	17,897	17,653	17,561
27 Other	23,724	70,896	84,931	64,436	47,530	47,496	44,551	46,415	44,556

1. Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.
2. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.
3. On-budget since Sept. 30, 1976.
4. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.
5. Certificates of participation issued before fiscal year 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration, the Department of Health, Education, and Welfare, the Department of Housing and Urban Development, the Small Business Administration, and the Veterans' Administration.
6. Off-budget.
7. Includes outstanding noncontingent liabilities: notes, bonds, and debentures. Some data are estimated.
8. Excludes borrowing by the Farm Credit Financial Assistance Corporation, shown on line 17.
9. Before late 1982, the Association obtained financing through the Federal Financing Bank (FFB). Borrowing excludes that obtained from the FFB, which is shown on line 22.
10. The Financing Corporation, established in August 1987 to recapitalize the Federal Savings and Loan Insurance Corporation, undertook its first borrowing in October 1987.
11. The Farm Credit Financial Assistance Corporation, established in January 1988 to provide assistance to the Farm Credit System, undertook its first borrowing in July 1988.
12. The Resolution Funding Corporation, established by the Financial Institutions Reform, Recovery and Enforcement Act of 1989, undertook its first borrowing in October 1989.
13. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Because FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.
14. Includes FFB purchases of agency assets and guaranteed loans; the latter are loans guaranteed by numerous agencies, with the amounts guaranteed by any one agency generally being small. The Farmers Home Administration entry consists exclusively of agency assets, whereas the Rural Electrification Administration entry consists of both agency assets and guaranteed loans.

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1990	1991	1992	1993							
				May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1 **All issues, new and refunding**[1]	**120,339**	**154,402**	**215,191**	**27,395r**	**29,276r**	**24,087r**	**24,438r**	**23,504r**	**21,900r**	**18,094**	**24,520**
By type of issue											
2 General obligation	39,610	55,100	78,611	9,846r	9,614r	8,537r	6,414r	5,884r	7,495r	6,422	6,542
3 Revenue	81,295	99,302	136,580	17,549r	19,662r	15,550r	18,024r	17,620r	14,405r	11,672	17,978
By type of issuer											
4 State	15,149	24,939	25,295	2,910	3,562	2,944	2,319	2,758	3,216	885	n.a.
5 Special district or statutory authority[2]	72,661	80,614	129,686	15,643	18,821	12,398	13,769	13,113	9,875	10,992	n.a.
6 Municipality, county, or township	32,510	48,849	60,210	8,827	6,835	8,616	8,307	7,476	8,418	4,528	n.a.
7 **Issues for new capital**	**103,235**	**116,953**	**120,272**	**8,115r**	**9,502r**	**8,751r**	**8,001r**	**8,759r**	**7,261r**	**6,734**	**9,543**
By use of proceeds											
8 Education	17,042	21,121	22,071	1,596	2,208	1,723	1,883	1,886	547	1,416	1,227
9 Transportation	11,650	13,395	17,334	813	772	653	1,062	789	304	979	429
10 Utilities and conservation	11,739	21,039	20,058	955	1,629	922	1,646	1,255	593	687	1,454
11 Social welfare	23,099	25,648	21,796	1,756	2,073	1,555	681	2,199	1,764	n.a.	2,171
12 Industrial aid	6,117	8,376	5,424	601	1,042	429	212	329	518	673	1,272
13 Other purposes	34,607	30,275	33,589	2,393	1,634	3,453	2,544	2,362	3,737	1,820	2,990

1. Par amounts of long-term issues based on date of sale.
2. Includes school districts.

SOURCES. Securities Data Company beginning January 1993; *Investment Dealer's Digest* before then.

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering, or issuer	1990	1991	1992	1993							
				Apr.	May	June	July r	Aug. r	Sept. r	Oct.	Nov.
1 **All issues**[1]	**340,049**	**465,243**	**559,449**	**40,655r**	**43,121r**	**65,849r**	**49,727**	**53,303**	**64,682**	**57,165**	**55,150**
2 **Bonds**[2]	**299,884**	**389,822**	**471,125**	**34,404r**	**34,423r**	**56,055r**	**39,931**	**44,036**	**54,032**	**46,630**	**43,600**
By type of offering											
3 Public, domestic	188,848	286,930	377,681	31,200r	31,094r	51,458r	37,259	40,237	49,132	44,000	40,000
4 Private placement, domestic[3]	86,982	74,930	65,853	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Sold abroad	23,054	27,962	27,591	3,204	3,329	4,597	2,673	3,799	4,900	2,630	3,600
By industry group											
6 Manufacturing	51,779	86,628	81,998	6,516r	3,690	8,397	2,448	6,132	4,046	2,970	3,354
7 Commercial and miscellaneous	40,733	36,666	42,869	2,194	3,015	2,605r	5,442	2,331	2,438	7,387	3,335
8 Transportation	12,776	13,598	9,979	123	685	948	611	723	288	1,416	687
9 Public utility	17,621	23,945	48,055	5,767	3,017r	5,874r	5,697	3,264	5,163	2,500	1,665
10 Communication	6,687	9,431	15,394	2,015	1,820	2,473	2,331	2,979	2,237	2,846	1,015
11 Real estate and financial	170,288	219,750	272,830	17,788	22,196	35,758r	23,403	28,607	39,860	29,512	33,544
12 **Stocks**[2]	**40,175**	**75,424**	**88,325**	**6,251**	**8,698**	**9,794**	**9,796**	**9,267**	**10,650**	**10,535**	**11,550**
By type of offering											
13 Public preferred	3,998	17,085	21,339	702	3,124	876	2,113	3,319	1,323	2,549	1,384
14 Common	19,442	48,230	57,118	5,549	5,574	8,918	7,683	5,948	9,327	7,986	10,166
15 Private placement[3]	16,736	10,109	9,867	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
By industry group											
16 Manufacturing	5,649	24,111	22,723	1,387	1,413	1,982	1,818	1,961	2,274	2,121	2,180
17 Commercial and miscellaneous	10,171	19,418	20,231	1,564	2,836	2,025	2,525	1,457	2,242	1,842	3,060
18 Transportation	369	2,439	2,595	250	111	168	114	466	153	128	221
19 Public utility	416	3,474	6,532	412	753	893	495	582	873	1,103	321
20 Communication	3,822	475	2,366	30	279	65	n.a.	115	248	18	1,074
21 Real estate and financial	19,738	25,507	33,879	2,579	3,307	4,660	4,844	4,675	4,658	5,286	4,427

1. Figures represent gross proceeds of issues maturing in more than one year; they are the principal amount or number of units calculated by multiplying by the offering price. Figures exclude secondary offerings, employee stock plans, investment companies other than closed-end, intracorporate transactions, equities sold abroad, and Yankee bonds. Stock data include ownership securities issued by limited partnerships.
2. Monthly data cover only public offerings.
3. Monthly data are not available.

SOURCES. IDD Information Services, Inc., Securities Data Company, and the Board of Governors of the Federal Reserve System.

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets[1]

Millions of dollars

Item	1991	1992	1993							
			Apr.	May	June	July	Aug.	Sept.[r]	Oct.	Nov.
1 **Sales of own shares**[2]	**463,645**	**647,055**	**66,766**	**60,504**	**68,373**	**72,503**	**73,032**	**69,938**	**74,490**	**72,590**
2 Redemptions of own shares	342,547	447,140	46,518	38,752	46,923	44,922	46,382	49,270	47,168	51,270
3 Net sales[3]	121,098	199,915	20,248	21,759	21,650	27,581	26,650	20,667	27,322	21,319
4 **Assets**[4]	**808,582**	**1,056,310**	**1,178,663**	**1,219,863**	**1,255,377**	**1,284,842**	**1,343,920**	**1,370,654**	**1,411,628**	**1,406,613**
5 Cash[5]	60,292	73,999	87,140	85,677	84,177	93,345	92,771	96,848	104,301	103,489
6 Other	748,290	982,311	1,091,523	1,134,186	1,171,200	1,191,497	1,251,149	1,273,807	1,307,327	1,303,124

1. Data on sales and redemptions exclude money market mutual funds but include limited-maturity municipal bond funds. Data on asset positions exclude both money market mutual funds and limited-maturity municipal bond funds.
2. Includes reinvestment of net income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions from one fund to another in the same group.
3. Excludes sales and redemptions resulting from transfers of shares into or out of money market mutual funds within the same fund family.
4. Market value at end of period, less current liabilities.
5. Includes all U.S. Treasury securities and other short-term debt securities.

SOURCE. Investment Company Institute. Data based on reports of membership, which comprises substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect underwritings of new companies.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data at seasonally adjusted annual rates

Account	1990	1991	1992	1991	1992				1993		
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3[r]
1 Profits with inventory valuation and capital consumption adjustment	380.6	369.5	407.2	378.8	409.9	411.7	367.5	439.5	432.1	458.1	468.5
2 Profits before taxes	365.7	362.3	395.4	373.5	404.3	409.5	357.9	409.9	419.8	445.6	443.8
3 Profits tax liability	138.7	129.8	146.3	133.4	147.0	153.0	130.1	155.0	160.9	173.3	169.5
4 Profits after taxes	227.1	232.5	249.1	240.1	257.3	256.5	227.8	254.9	258.9	272.3	274.3
5 Dividends	153.5	137.4	150.5	133.9	138.0	146.1	155.2	162.9	167.5	168.5	169.7
6 Undistributed profits	73.6	95.2	98.6	106.1	119.3	110.4	72.7	92.0	91.4	103.9	104.6
7 Inventory valuation	−11.0	4.9	−5.3	1.9	−4.6	−13.7	−7.8	4.9	−12.7	−12.2	1.0
8 Capital consumption adjustment	25.9	2.2	17.1	3.5	10.2	16.0	17.4	24.7	25.1	24.7	23.8

SOURCE. U.S. Department of Commerce, *Survey of Current Business*.

1.50 NONFARM BUSINESS EXPENDITURES New Plant and Equipment

Billions of dollars; quarterly data at seasonally adjusted annual rates

Industry	1992	1993	1994[1]	1992			1993				1994
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1[1]
1 **Total nonfarm business**	**546.60**	**584.64**	**616.50**	**541.41**	**547.40**	**559.24**	**564.13**	**579.79**	**594.11**	**600.53**	**616.38**
Manufacturing											
2 Durable goods industries	73.32	81.49	84.93	74.07	72.09	73.30	79.11	80.88	81.99	83.99	87.50
3 Nondurable goods industries	100.69	97.97	101.34	97.91	100.77	103.56	95.94	96.21	100.18	99.53	98.72
Nonmanufacturing											
4 Mining	8.88	10.13	10.84	9.20	8.98	8.47	8.89	9.10	11.14	11.37	10.83
Transportation											
5 Railroad	6.67	6.20	6.21	6.32	6.70	7.04	6.00	6.00	5.91	6.90	6.32
6 Air	8.93	6.83	4.45	9.65	9.69	7.60	7.30	6.54	6.92	6.57	4.64
7 Other	7.04	9.34	10.25	7.19	7.52	6.97	9.17	9.04	8.88	10.26	10.53
Public utilities											
8 Electric	48.22	51.82	57.00	48.35	48.17	49.57	49.92	50.51	52.74	54.11	54.16
9 Gas and other	23.99	23.17	24.42	24.29	24.01	24.50	23.59	24.04	22.88	22.19	23.62
10 Commercial and other[2]	268.84	297.69	317.05	264.46	269.46	278.24	284.21	297.46	303.47	305.61	320.06

1. Figures are amounts anticipated by business.
2. "Other" consists of construction, wholesale and retail trade, finance and insurance, personal and business services, and communication.

SOURCE. U.S. Department of Commerce, *Survey of Current Business*.

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities[1]

Billions of dollars, end of period; not seasonally adjusted

Account	1990	1991	1992	1992 Q1	1992 Q2	1992 Q3	1992 Q4	1993 Q1	1993 Q2	1993 Q3
ASSETS										
1 Accounts receivable, gross[2]	492.3	480.6	482.1	475.6	476.7	473.9	482.1	469.6	469.3	467.6
2 Consumer	133.3	121.9	117.1	118.4	116.7	116.7	117.1	111.9	111.3	112.6
3 Business	293.6	292.9	296.5	290.8	293.2	288.5	296.5	289.6	290.7	287.8
4 Real estate	65.5	65.8	68.4	66.4	66.8	68.8	68.4	68.1	67.2	67.2
5 LESS: Reserves for unearned income	57.6	55.1	50.8	53.6	51.2	50.8	50.8	47.4	47.5	48.0
6 Reserves for losses	9.6	12.9	15.8	13.0	12.3	12.0	15.8	15.5	13.8	11.1
7 Accounts receivable, net	425.1	412.6	415.5	409.0	413.2	411.1	415.5	406.6	408.0	408.5
8 All other	113.9	149.0	150.6	145.5	139.4	146.5	150.6	155.0	156.6	162.0
9 **Total assets**	**539.0**	**561.6**	**566.1**	**554.5**	**552.6**	**557.6**	**566.1**	**561.6**	**564.6**	**570.5**
LIABILITIES AND CAPITAL										
10 Bank loans	31.0	42.3	37.6	38.0	37.8	38.1	37.6	34.1	29.5	25.8
11 Commercial paper	165.3	159.5	156.4	154.4	147.7	153.2	156.4	149.8	144.5	149.9
Debt										
12 Other short-term	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Long-term	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Owed to parent	37.5	34.5	37.8	34.5	34.8	34.9	37.8	41.9	46.4	47.9
15 Not elsewhere classified	178.2	191.3	195.3	189.8	191.9	191.4	195.3	195.1	195.8	196.5
16 All other liabilities	63.9	69.0	71.2	72.0	73.4	73.7	71.2	74.2	81.3	81.5
17 Capital, surplus, and undivided profits	63.7	64.8	67.8	66.0	67.1	68.1	67.8	66.6	67.1	68.9
18 **Total liabilities and capital**	**539.6**	**561.2**	**566.1**	**554.6**	**552.7**	**559.4**	**566.1**	**561.7**	**564.6**	**570.5**

1. Includes finance company subsidiaries of bank holding companies but not of retailers and banks. Data are amounts carried on the balance sheets of finance companies; securitized pools are not shown, as they are not on the books.

2. Before deduction for unearned income and losses.

1.52 DOMESTIC FINANCE COMPANIES Consumer, Real Estate, and Business Credit[1]

Millions of dollars, amounts outstanding, end of period

Type of credit	1990	1991	1992	1993 June	1993 July	1993 Aug.	1993 Sept.	1993 Oct.	1993 Nov.
	Seasonally adjusted								
1 **Total**	**522,474**	**519,910**	**534,845**	**522,981**	**523,539**	**525,744**	**527,819[r]**	**529,310**	**533,555**
2 Consumer	160,468	154,822	157,707	152,979	153,228	153,420	154,707	155,700	157,440
3 Real estate[2]	65,147	65,383	68,011	67,223	67,426	67,216	66,871	67,983	68,540
4 Business	296,858	299,705	309,127	302,778	302,885	305,108[r]	306,241[r]	305,627	307,575
	Not seasonally adjusted								
5 **Total**	**525,888**	**523,192**	**538,158**	**526,818**	**523,389**	**521,094**	**524,937[r]**	**528,869**	**533,220**
6 Consumer	161,360	155,713	158,631	152,995	153,733	154,218	155,496	156,712	157,850
7 Motor vehicles	75,045	63,415	57,605	55,592	56,817	55,247	55,057	54,324	55,337
8 Other consumer[3]	58,213	58,522	59,522	55,737	56,259	56,616	57,588	58,278	59,463
9 Securitized motor vehicles[4]	19,837	23,166	29,775	31,642	30,787	32,856	33,549	35,212	34,303
10 Securitized other consumer[4]	8,265	10,610	11,729	10,023	9,870	9,498	9,302	8,898	8,747
11 Real estate[2]	65,509	65,760	68,410	67,230	67,649	67,565	67,212	68,425	68,718
12 Business	299,019	301,719	311,118	306,593	302,007	299,311	302,229[r]	303,732	306,652
13 Motor vehicles	92,125	90,613	87,456	90,263	87,745	84,920[r]	86,019[r]	86,129	88,510
14 Retail[5]	26,454	22,957	19,303	16,995	17,561	17,264	18,365[r]	16,599	16,723
15 Wholesale[6]	33,573	31,216	29,962	31,787	27,442	25,136	25,458	27,144	29,260
16 Leasing	32,098	36,440	38,191	41,481	42,743	42,520	42,196	42,386	42,526
17 Equipment	137,654	141,399	151,607	146,487	146,408	146,404	147,905	148,357	147,609
18 Retail	31,968	30,962	32,212	32,775	33,209	33,676	33,789	33,357	33,266
19 Wholesale[6]	11,101	9,671	8,669	8,482	8,224	8,059	8,113	8,091	7,802
20 Leasing	94,585	100,766	110,726	105,230	104,975	104,669	106,004	106,909	106,541
21 Other business[7]	63,773	60,900	57,464	53,987	53,243	53,536	53,861	53,969	53,886
22 Securitized business assets[4]	5,467	8,807	14,590	15,856	14,611	14,451	14,444	15,277	16,647
23 Retail	667	576	1,118	1,324	1,268	1,220	1,168	1,690	1,910
24 Wholesale	3,281	5,285	8,756	9,539	8,318	8,329	8,529	8,785	9,407
25 Leasing	1,519	2,946	4,716	4,993	5,025	4,902	4,747	4,802	5,330

1. Includes finance company subsidiaries of bank holding companies but not of retailers and banks. Data are before deductions for unearned income and losses. Data in this table also appear in the Board's G.20 (422) monthly statistical release. For ordering address, see inside front cover.

2. Includes all loans secured by liens on any type of real estate, for example, first and junior mortgages and home equity loans.

3. Includes personal cash loans, mobile home loans, and loans to purchase other types of consumer goods such as appliances, apparel, general merchandise, and recreation vehicles.

4. Outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator.

5. Passenger car fleets and commercial land vehicles for which licenses are required.

6. Credit arising from transactions between manufacturers and dealers, that is, floor plan financing.

7. Includes loans on commercial accounts receivable, factored commercial accounts, and receivable dealer capital; small loans used primarily for business or farm purposes; and wholesale and lease paper for mobile homes, campers, and travel trailers.

1.53 MORTGAGE MARKETS Mortgages on New Homes

Millions of dollars except as noted

Item	1991	1992	1993	1993						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Terms[1]										
1 Purchase price (thousands of dollars)	155.0	158.1	163.1	185.6	168.7	158.1	155.3	169.2	174.4	167.9
2 Amount of loan (thousands of dollars)	114.0	118.1	123.0	125.3	127.4	122.2	120.8	128.4	134.0	128.7
3 Loan-to-price ratio (percent)	75.0	76.6	78.0	75.3	77.8	78.4	78.5	78.0	79.1	79.2
4 Maturity (years)	26.8	25.6	26.1	25.4	26.2	26.4	26.5	26.7	26.9	26.8
5 Fees and charges (percent of loan amount)[2]	1.71	1.60	1.30	1.32	1.28	1.21	1.13	1.23	1.23	1.10
Yield (percent per year)										
6 Contract rate[1]	9.02	7.98	7.02	7.02	6.99	6.86	6.76	6.61	6.61	6.74
7 Effective rate[1,3]	9.30	8.25	7.24	7.23	7.20	7.05	6.95	6.80	6.80	6.92
8 Contract rate (HUD series)[4]	9.20	8.43	7.37	7.33	7.31	6.89	6.94	7.05	7.38	7.26
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (Section 203)[5]	9.25	8.46	7.46	7.52	7.51	7.02	7.03	7.08	7.51	7.52
10 GNMA securities[6]	8.59	7.71	6.59	6.74	6.53	6.42	6.15	6.11	6.38	6.07
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	122,837	142,833	172,791	171,232	174,674	177,992	180,057	182,524	185,463	190,861
12 FHA/VA insured	21,702	22,168	22,876	22,656	22,761	22,834	22,810	22,978	23,334	23,857
13 Conventional	101,135	120,664	149,914	148,576	151,913	155,158	157,247	159,546	162,129	167,004
Mortgage transactions (during period)										
14 Purchases	37,202	75,905	92,037	9,131	7,854	8,176	8,866	8,780	8,979	12,123
Mortgage commitments (during period)										
15 Issued[7]	40,010	74,970	92,537	8,697	7,760	8,581	9,814	7,515	11,144	8,461
16 To sell[8]	7,608	10,493	5,097	323	458	2,585	0	0	0	209
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period)[8]										
17 Total	24,131	29,959	42,789	42,477	43,119	44,396	46,858	50,108	52,933	55,012
18 FHA/VA insured	484	408	327	319	314	324	323	321	324	321
19 Conventional	23,283	29,552	42,462	42,158	42,805	44,072	46,536	49,787	52,610	54,691
Mortgage transactions (during period)										
20 Purchases	99,965	191,125	229,242	21,529	19,700	19,636	18,372	18,658	27,062	29,396
21 Sales	92,478	179,208	208,723	18,968	18,631	18,008	16,230	15,985[r]	24,028	26,607
Mortgage commitments (during period)[9]										
22 Contracted	114,031	261,637	274,599	28,831	21,722	17,085	16,495	24,614	39,977	24,176

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups for purchase of newly built homes; compiled by the Federal Housing Finance Board in cooperation with the Federal Deposit Insurance Corporation.
2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) to obtain a loan.
3. Average effective interest rate on loans closed for purchase of newly built homes, assuming prepayment at the end of ten years.
4. Average contract rate on new commitments for conventional first mortgages; from U.S. Department of Housing and Urban Development (HUD). Based on transactions on the first day of the subsequent month.
5. Average gross yield on thirty-year, minimum-downpayment first mortgages insured by the Federal Housing Administration (FHA) for immediate delivery in the private secondary market. Based on transactions on first day of subsequent month.
6. Average net yields to investors on fully modified pass-through securities backed by mortgages and guaranteed by the Government National Mortgage Association (GNMA), assuming prepayment in twelve years on pools of thirty-year mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs.
7. Does not include standby commitments issued, but includes standby commitments converted.
8. Includes participation loans as well as whole loans.
9. Includes conventional and government-underwritten loans. The Federal Home Loan Mortgage Corporation's mortgage commitments and mortgage transactions include activity under mortgage securities swap programs, whereas the corresponding data for FNMA exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING[1]

Millions of dollars, end of period

Type of holder and property	1989	1990	1991	1992		1993		
				Q3	Q4	Q1	Q2	Q3[p]
1 **All holders**	**3,549,564[r]**	**3,761,525[r]**	**3,923,371[r]**	**4,020,556[r]**	**4,042,926[r]**	**4,059,200[r]**	**4,099,621[r]**	**4,160,167**
By type of property								
2 One- to four-family residences	2,408,402[r]	2,615,435[r]	2,778,803[r]	2,911,442[r]	2,953,527[r]	2,976,784[r]	3,026,924[r]	3,088,521
3 Multifamily residences	306,517[r]	309,369[r]	306,410[r]	301,975[r]	294,976[r]	293,578[r]	290,609[r]	290,857
4 Commercial	754,169[r]	758,313[r]	759,023[r]	726,562[r]	713,701[r]	708,086[r]	701,280[r]	699,926
5 Farm	80,476	78,408[r]	79,136[r]	80,577[r]	80,722[r]	80,752[r]	80,808[r]	80,863
By type of holder								
6 Major financial institutions	1,931,537	1,914,315	1,846,726	1,793,492	1,769,187[r]	1,753,045[r]	1,765,052[r]	1,770,274
7 Commercial banks[2]	767,069	844,826	876,100	891,445	894,513[r]	891,755[r]	910,944[r]	922,366
8 One- to four-family	389,632	455,931	483,623	502,075	507,780[r]	507,497[r]	526,800[r]	536,321
9 Multifamily	38,876	37,015	36,935	38,757	38,024[r]	37,425[r]	38,064[r]	38,370
10 Commercial	321,906	334,648	337,095	330,705	328,826[r]	326,853[r]	325,485[r]	326,859
11 Farm	16,656	17,231	18,447	19,908	19,882	19,980[r]	20,595[r]	20,815
12 Savings institutions[3]	910,254	801,628	705,367	648,178	627,972	617,163[r]	612,379[r]	610,081
13 One- to four-family	669,220	600,154	538,358	501,604	489,622	480,415[r]	480,636[r]	478,832
14 Multifamily	106,014	91,806	79,881	73,723	69,791	70,608[r]	68,325[r]	68,068
15 Commercial	134,370	109,168	86,741	72,517	68,235	65,808[r]	63,096[r]	62,860
16 Farm	650	500	388	334	324	332	322[r]	321
17 Life insurance companies	254,214	267,861	265,258	253,869	246,702	244,128	241,729[r]	237,826
18 One- to four-family	12,231	13,005	11,547	11,779	11,441	11,316	11,195[r]	11,008
19 Multifamily	26,907	28,979	29,562	28,591	27,770	27,466	27,174[r]	26,718
20 Commercial	205,472	215,121	214,105	204,132	198,269	196,100	194,012[r]	190,758
21 Farm	9,604	10,756	10,044	9,366	9,222	9,246	9,348[r]	9,343
22 Federal and related agencies	197,778	239,003	266,146	277,485	286,263[r]	287,182	299,214	310,825
23 Government National Mortgage Association	23	20	19	27	30	45	45	44
24 One- to four-family	23	20	19	27	30	37	38	37
25 Multifamily	0	0	0	0	0	8	7	7
26 Farmers Home Administration[4]	41,176	41,439	41,713	41,671	41,695	41,630	41,669	41,669
27 One- to four-family	18,422	18,527	18,496	17,292	16,912	18,149	18,313	18,313
28 Multifamily	9,054	9,640	10,141	10,468	10,575	10,235	10,197	10,197
29 Commercial	4,443	4,690	4,905	5,072	5,158	4,934	4,915	4,915
30 Farm	9,257	8,582	8,171	8,839	9,050	8,313	8,245	8,245
31 Federal Housing and Veterans' Administrations	6,087	8,801	10,733	11,768	12,581	13,027	12,945	12,797
32 One- to four-family	2,875	3,593	4,036	4,531	5,153	5,631	5,635	5,460
33 Multifamily	3,212	5,208	6,697	7,236	7,428	7,396	7,311	7,336
34 Resolution Trust Corporation	0	32,600	45,822	37,099	32,045	27,331	21,973	19,925
35 One- to four-family	0	15,800	14,535	12,614	12,960	11,375	8,955	8,381
36 Multifamily	0	8,064	15,018	11,130	9,621	8,070	6,743	6,002
37 Commercial	0	8,736	16,269	13,356	9,464	7,886	6,275	5,543
38 Farm	0	0	0	0	0	0	0	0
39 Federal National Mortgage Association	99,001	104,870	112,283	126,476	137,584	141,192	151,513	160,721
40 One- to four-family	90,575	94,323	100,387	113,407	124,016	127,252	137,340	146,009
41 Multifamily	8,426	10,547	11,896	13,069	13,568	13,940	14,173	14,712
42 Federal Land Banks	29,640	29,416	28,767	28,815	28,664[r]	28,536	28,592	28,810
43 One- to four-family	1,210	1,838	1,693	1,695	1,687[r]	1,679	1,682	1,695
44 Farm	28,430	27,577	27,074	27,119	26,977[r]	26,857	26,909	27,115
45 Federal Home Loan Mortgage Corporation	21,851	21,857	26,809	31,629	33,665	35,421	42,477	46,859
46 One- to four-family	18,248	19,185	24,125	29,039	31,032	32,831	39,905	44,315
47 Multifamily	3,603	2,672	2,684	2,591	2,633	2,589	2,572	2,544
48 Mortgage pools or trusts[5]	917,848	1,079,103	1,250,666	1,385,460	1,425,546	1,461,612	1,472,844	1,513,024
49 Government National Mortgage Association	368,367	403,613	425,295	422,255	419,516	421,514	413,166	415,076
50 One- to four-family	358,142	391,505	415,767	413,063	410,675	412,798	404,425	405,963
51 Multifamily	10,225	12,108	9,528	9,192	8,841	8,716	8,741	9,113
52 Federal Home Loan Mortgage Corporation	272,870	316,359	359,163	391,762	407,514	420,932	422,882	430,089
53 One- to four-family	266,060	308,369	351,906	385,400	401,525	415,279	417,646	425,154
54 Multifamily	6,810	7,990	7,257	6,362	5,989	5,654	5,236	4,935
55 Federal National Mortgage Association	228,232	299,833	371,984	429,935	444,979	457,316	465,220	481,880
56 One- to four-family	219,577	291,194	362,667	420,835	435,979	448,483	456,645	473,599
57 Multifamily	8,655	8,639	9,317	9,100	9,000	8,833	8,575	8,281
58 Farmers Home Administration[4]	80	66	47	41	38	44	45	45
59 One- to four-family	21	17	11	9	8	10	10	10
60 Multifamily	0	0	0	0	0	0	0	0
61 Commercial	26	24	19	18	17	18	19	19
62 Farm	33	26	17	14	13	16	16	16
63 Private mortgage conduits	48,299	59,232	94,177	141,468	153,499	161,805	171,532	185,933
64 One- to four-family	43,325	53,335	84,000	123,000	132,000	137,000	145,000	158,000
65 Multifamily	462	731	3,698	5,796	6,305	6,662	7,410	8,074
66 Commercial	4,512	5,166	6,479	12,673	15,194	18,143	19,121	19,859
67 Farm	0	0	0	0	0	0	0	0
68 Individuals and others[6]	502,401[r]	529,104[r]	559,833[r]	564,118[r]	561,930[r]	557,360[r]	562,511[r]	566,045
69 One- to four-family	318,842[r]	348,638[r]	367,633[r]	375,072[r]	372,708[r]	367,031[r]	372,699[r]	375,423
70 Multifamily	84,272[r]	85,969[r]	83,796[r]	85,960[r]	85,430[r]	85,977[r]	86,083[r]	86,500
71 Commercial	83,440[r]	80,761[r]	93,410[r]	88,090[r]	88,538[r]	88,344[r]	88,357[r]	89,113
72 Farm	15,846	13,737[r]	14,994[r]	14,996[r]	15,254[r]	16,008[r]	15,372[r]	15,008

1. Based on data from various institutional and governmental sources; figures for some quarters estimated in part by the Federal Reserve. Multifamily debt refers to loans on structures of five or more units.
2. Includes loans held by nondeposit trust companies but not loans held by bank trust departments.
3. Includes savings banks and savings and loan associations.
4. FmHA-guaranteed securities sold to the Federal Financing Bank were reallocated from FmHA mortgage pools to FmHA mortgage holdings in 1986:Q4 because of accounting changes by the Farmers Home Administration.
5. Outstanding principal balances of mortgage-backed securities insured or guaranteed by the agency indicated.
6. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and finance companies.

SOURCES. Based on data from various institutional and government sources. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations, when required, are estimated mainly by the Federal Reserve. Line 64, from Inside Mortgage Securities.

1.55 CONSUMER INSTALLMENT CREDIT[1]

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1990	1991	1992	1993 June	1993 July	1993 Aug.	1993 Sept.[r]	1993 Oct.	1993 Nov.
	Seasonally adjusted								
1 **Total**	**738,765**	**733,510**	**741,093**	**752,428**	**757,465**	**762,503**	**768,573**	**776,234**	**783,115**
2 Automobile	284,739	260,898	259,627	265,388	267,468	268,784	270,650	274,600	277,576
3 Revolving	222,552	243,564	254,299	263,338	266,938	270,753	273,703	277,125	279,273
4 Other	231,474	229,048	227,167	223,701	223,058	222,967	224,220	224,509	226,266
	Not seasonally adjusted								
5 **Total**	**752,883**	**749,052**	**756,944**	**748,830**	**753,645**	**763,268**	**770,384**	**776,719**	**784,702**
By major holder									
6 Commercial banks	347,087	340,713	331,869	335,592	339,948	345,449	349,699	352,559	358,429
7 Finance companies	133,258	121,937	117,127	111,330	113,076	111,864	112,645	113,220	115,352
8 Credit unions	93,057	92,681	97,641	104,781	106,027	108,095	109,687	110,830	112,342
9 Retailers	43,464	39,832	42,079	38,813	39,043	39,688	39,842	40,310	42,047
10 Savings institutions	52,164	45,965	43,461	37,250	36,485	35,919	34,985	34,251	33,500
11 Gasoline companies	4,822	4,362	4,365	4,567	4,668	4,728	4,574	4,599	4,507
12 Pools of securitized assets[2]	79,030	103,562	120,402	116,497	114,398	117,525	118,952	120,950	118,525
By major type of credit[3]									
13 Automobile	284,903	261,219	259,964	265,345	267,646	270,495	273,291	276,665	277,783
14 Commercial banks	124,913	112,666	109,743	114,901	116,729	118,535	120,574	122,162	122,989
15 Finance companies	75,045	63,415	57,605	55,592	56,817	55,247	55,057	55,107	56,058
16 Pools of securitized assets[2]	24,620	28,915	33,878	34,701	33,673	35,569	36,123	37,630	36,571
17 Revolving	234,801	256,876	267,949	260,993	264,100	269,663	272,579	275,109	280,080
18 Commercial banks	133,385	138,005	132,582	129,921	132,984	135,466	136,738	137,844	142,382
19 Retailers	38,448	34,712	36,629	33,328	33,505	34,099	34,214	34,668	36,319
20 Gasoline companies	4,822	4,362	4,365	4,567	4,668	4,728	4,574	4,599	4,507
21 Pools of securitized assets[2]	45,637	63,595	74,243	70,842	69,935	71,562	72,646	73,556	72,357
22 Other	233,178	230,957	229,031	222,491	221,899	223,109	224,514	224,945	226,839
23 Commercial banks	88,789	90,042	89,544	90,770	90,235	91,448	92,387	92,553	93,058
24 Finance companies	58,213	58,522	59,522	55,737	56,259	56,616	57,588	58,113	59,294
25 Retailers	5,016	5,120	5,450	5,485	5,538	5,589	5,628	5,642	5,728
26 Pools of securitized assets[2]	8,773	11,052	12,281	10,954	10,790	10,394	10,183	9,764	9,597

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals that is scheduled to be repaid (or has the option of repayment) in two or more installments.

Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

2. Outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator.

3. Totals include estimates for certain holders for which only consumer credit totals are available.

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT[1]

Percent per year except as noted

Item	1990	1991	1992	1993 May	1993 June	1993 July	1993 Aug.	1993 Sept.	1993 Oct.	1993 Nov.
INTEREST RATES										
Commercial banks[2]										
1 48-month new car	11.78	11.14	9.29	8.17	n.a.	n.a.	7.98	n.a.	n.a.	7.63
2 24-month personal	15.46	15.18	14.04	13.63	n.a.	n.a.	13.45	n.a.	n.a.	13.22
3 120-month mobile home	14.02	13.70	12.67	12.00	n.a.	n.a.	11.53	n.a.	n.a.	11.55
4 Credit card	18.17	18.23	17.78	17.15	n.a.	n.a.	16.59	n.a.	n.a.	16.30
Auto finance companies										
5 New car	12.54	12.41	9.93	9.51	9.45	9.37	9.21	9.21	9.25	8.96
6 Used car	15.99	15.60	13.80	12.61	12.55	12.46	12.48	12.52	12.58	12.41
OTHER TERMS[3]										
Maturity (months)										
7 New car	54.6	55.1	54.0	54.4	54.6	54.7	54.9	54.7	55.0	54.5
8 Used car	46.0	47.2	47.9	48.9	49.0	49.0	49.0	48.8	48.2	48.4
Loan-to-value ratio										
9 New car	87	88	89	91	91	91	91	91	90	91
10 Used car	95	96	97	98	98	98	99	98	98	98
Amount financed (dollars)										
11 New car	12,071	12,494	13,584	14,146	14,296	14,430	14,324	14,348	14,650	14,839
12 Used car	8,289	8,884	9,119	9,829	9,912	9,996	10,104	9,808	9,969	10,230

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals that is scheduled to be repaid (or has the option of repayment) in two or more installments. Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

2. Data are available for only the second month of each quarter.

3. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS[1]

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1988	1989	1990	1991	1992	1992				1993		
						Q1	Q2	Q3	Q4	Q1[r]	Q2[r]	Q3
	Nonfinancial sectors											
1 **Total net borrowing by domestic nonfinancial sectors**	**752.6**	**723.0**	**631.0**	**475.5**	**582.4[r]**	**603.3[r]**	**586.2[r]**	**610.8[r]**	**529.1[r]**	**399.3**	**667.5**	**579.7**
By sector and instrument												
2 U.S. government	155.1	146.4	246.9	278.2	304.0	323.8	352.9	299.1	240.1	229.6	348.2	177.2
3 Treasury securities	137.7	144.7	238.7	292.0	303.8	335.0	352.5	290.1	237.4	226.4	344.1	160.9
4 Agency issues and mortgages	17.4	1.6	8.2	−13.8	.2	−11.2	.4	9.0	2.7	3.2	4.1	16.2
5 Private	597.5	576.6	384.1	197.3	278.4[r]	279.5[r]	233.4[r]	311.7[r]	289.0[r]	169.7	319.2	402.5
By instrument												
6 Tax-exempt obligations	53.7	65.3	57.3	69.6	65.7	68.0	76.6	75.8	42.4	62.4	67.2	38.9
7 Corporate bonds	103.1	73.8	47.1	78.8	67.3	76.3	77.8	61.3	53.7	75.0	64.9	55.2
8 Mortgages	279.6	269.1	188.7	165.1	121.1[r]	185.4[r]	69.8[r]	135.1[r]	93.9[r]	100.2	134.5	223.2
9 Home mortgages	219.6	212.5	177.2	166.0	176.0	216.5	111.6	203.3	172.8[r]	128.4	176.2	229.7
10 Multifamily residential	16.1	12.0	3.4	−2.5	−11.1	11.6	−16.9[r]	−11.2[r]	−27.9[r]	−6.6	−12.8	.2
11 Commercial	48.5	47.3	8.9	.9	−45.5	−46.9	−25.7[r]	−57.7[r]	−51.6[r]	−21.7	−29.1	−6.9
12 Farm	−4.6	−2.7	−.8	.7	1.6[r]	4.2[r]	.8[r]	.8[r]	.6[r]	.1	.2	.2
13 Consumer credit	50.1	49.5	13.4	−13.1	9.3	−9.8	−14.7	13.5	48.2	19.2	22.9	60.8
14 Bank loans n.e.c.	44.7	36.4	4.2	−46.8	−5.6[r]	−47.3[r]	27.7[r]	−24.1[r]	21.4[r]	−39.7	31.8	8.1
15 Commercial paper	11.9	21.4	9.7	−18.4	8.6	2.5	−2.6	9.3	25.4	−24.2	34.8	24.2
16 Other loans	54.3	61.0	63.6	−37.8	12.0[r]	4.5[r]	−1.1[r]	40.8[r]	3.9[r]	−23.0	−37.0	−8.0
By borrowing sector												
17 Household	300.1	276.7	207.7	168.4	215.0[r]	199.2[r]	176.5[r]	217.7[r]	266.6[r]	137.4	215.8	322.4
18 Nonfinancial business	248.4	236.3	121.9	−33.4	4.0[r]	18.2[r]	−10.1[r]	20.5[r]	−12.7[r]	−38.9	34.5	36.4
19 Farm	−10.0	.5	1.8	2.4	1.5[r]	4.3[r]	3.6[r]	−.1[r]	−1.6[r]	−2.5	3.4	4.6
20 Nonfarm noncorporate	57.2	49.4	19.4	−24.5	−39.4[r]	−21.8[r]	−47.4[r]	−37.3[r]	−51.0[r]	−36.7	−31.4	−14.1
21 Corporate	201.3	186.5	100.7	−11.3	41.8[r]	35.7[r]	33.7[r]	57.9[r]	39.9[r]	.3	62.5	46.0
22 State and local government	48.9	63.5	54.5	62.3	59.4	62.1	66.9	73.5	35.1	71.2	68.9	43.7
23 Foreign net borrowing in United States	6.4	10.2	23.9	13.9	24.2	1.9	57.7	37.8	−.6	50.3	26.8	78.5
24 Bonds	6.9	4.9	21.4	14.1	17.3	4.9	21.9	20.3	22.2	75.6	30.4	85.5
25 Bank loans n.e.c.	−1.8	−.1	−2.9	3.1	2.3	1.5	14.1	3.9	−10.3	1.6	6.5	1.0
26 Open market paper	8.7	13.1	12.3	6.4	5.2	−8.0	27.8	13.1	−12.1	−21.7	−.6	−1.6
27 U.S. government loans	−7.5	−7.6	−7.0	−9.8	−.6	3.6	−6.1	.5	−.4	−5.3	−9.5	−6.4
28 **Total domestic plus foreign**	**759.0**	**733.1**	**654.9**	**489.4**	**606.6[r]**	**605.3[r]**	**644.0[r]**	**648.7[r]**	**528.5[r]**	**449.5**	**694.2**	**658.2**
	Financial sectors											
29 **Total net borrowing by financial sectors**	**239.9**	**213.7**	**193.5**	**150.4**	**209.5[r]**	**167.6**	**206.3[r]**	**294.4[r]**	**169.6[r]**	**148.5**	**130.3**	**366.8**
By instrument												
30 U.S. government-related	119.8	149.5	167.4	145.7	155.8	126.8	195.2	169.3	131.8	165.8	62.7	270.9
31 Government-sponsored enterprises securities	44.9	25.2	17.1	9.2	40.3	11.5	48.3	67.7	33.6	32.2	68.8	167.8
32 Mortgage pool securities	74.9	124.3	150.3	136.6	115.6	115.3	146.9	101.6	98.4	133.6	−6.1	103.1
33 Loans from U.S. government	.0	.0	−.1	.0	.0	.0	.0	.0	−.1	.0	.0	.0
34 Private	120.1	64.2	26.1	4.6	53.7[r]	40.8	11.0[r]	125.1[r]	37.8[r]	−17.3	67.6	95.8
35 Corporate bonds	49.0	37.3	40.8	56.8	58.4[r]	28.6	59.1	71.5[r]	74.2	59.9	55.5	86.2
36 Mortgages	.3	.5	.4	.8	.0	−.4	.1[r]	.3[r]	.1[r]	.9	2.7	2.2
37 Bank loans n.e.c.	−3.8	6.0	1.1	17.1	−4.8	22.0	−39.1	17.7[r]	−19.9[r]	−21.2	−5.9	−12.5
38 Open market paper	54.8	31.3	8.6	−32.0	−.7	1.1	−14.8	17.5	−6.5	−75.5	−18.4	−12.4
39 Loans from Federal Home Loan Banks	19.7	−11.0	−24.7	−38.0	.8	−10.4	5.8	18.1	−10.1	18.6	33.5	32.3
By borrowing sector												
40 Government sponsored enterprises	44.9	25.2	17.0	9.1	40.2	11.5	48.3	67.7	33.5	32.2	68.8	167.8
41 Federally related mortgage pools	74.9	124.3	150.3	136.6	115.6	115.3	146.9	101.6	98.4	133.6	−6.1	103.1
42 Private	120.1	64.2	26.1	4.6	53.7[r]	40.8	11.0[r]	125.1[r]	37.8[r]	−17.3	67.6	95.8
43 Commercial banks	−3.0	−1.4	−.7	−11.7	8.8	3.2	5.5	12.1	14.5	5.4	10.1	6.2
44 Bank affiliates	5.2	6.2	−27.7	−2.5	2.3	10.9	−9.2	6.6	.8	21.1	1.3	−1.2
45 Funding corporations	39.1	13.8	12.5	−13.6	1.6[r]	16.1	29.2[r]	−7.7[r]	−31.1[r]	−54.2	7.2	−15.6
46 Savings institutions	21.7	−15.1	−30.2	−44.5	−6.7	−18.3	−5.4	11.2	−14.4	7.9	17.7	18.3
47 Credit unions	.0	.0	.0	.0	.0	.0	.0	.0	.1	.0	.3	.3
48 Life insurance companies	.0	.0	.0	.0	.0	.0	.0	.2	−.2	.1	.6	−.1
49 Finance companies	23.9	27.4	24.0	18.6	−3.6	−35.6	−20.1	21.2	19.9	−33.1	−38.6	9.4
50 Mortgage companies	−6.2	3.0	−4.0	5.7	.1	27.5	−35.3	14.4	−6.4	−10.4	15.9	2.4
51 Real estate investment trusts (REITs)	1.8	1.3	1.0	1.6	.1	1.7	1.3[r]	2.0[r]	−4.7[r]	−1.4	2.5	3.8
52 Securitized credit obligation (SCO) issuers	37.6	28.9	51.1	51.0	51.1[r]	35.3	45.0	65.0[r]	59.2	47.2	50.5	72.5

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS[1]—Continued

Transaction category or sector	1988	1989	1990	1991	1992	1992				1993		
						Q1	Q2	Q3	Q4	Q1[r]	Q2[r]	Q3
	All sectors											
53 **Total net borrowing, all sectors**	**998.8**	**946.8**	**848.4**	**639.8**	**816.0[r]**	**772.8[r]**	**850.2[r]**	**943.0[r]**	**698.1[r]**	**598.1**	**824.5**	**1,024.9**
54 U.S. government securities	274.9	295.8	414.4	424.0	459.8	450.6	548.1	468.5	372.0	395.3	410.9	448.1
55 Tax-exempt securities	53.7	65.3	57.3	69.6	65.7	68.0	76.6	75.8	42.4	62.4	67.2	38.9
56 Corporate and foreign bonds	159.0	116.0	109.2	149.6	143.0[r]	109.7[r]	158.8	153.2[r]	150.1	210.5	150.9	226.9
57 Mortgages	280.0	269.6	189.1	165.8	121.1[r]	185.0[r]	69.8[r]	135.4[r]	94.0[r]	101.0	137.3	225.5
58 Consumer credit	50.1	49.5	13.4	−13.1	9.3	−9.8	−14.7	13.5	48.2	19.2	22.9	60.8
59 Bank loans n.e.c.	39.2	42.3	2.4	−26.6	−8.1[r]	−23.9[r]	2.8[r]	−2.5[r]	−8.8[r]	−59.3	32.4	−3.4
60 Open market paper	75.4	65.9	30.7	−44.0	13.1	−4.5	10.3	39.9	6.8	−121.4	15.8	10.3
61 Other loans	66.6	42.4	31.8	−85.6	12.2[r]	−2.4[r]	−1.4[r]	59.3[r]	−6.7[r]	−9.7	−13.0	17.9
	External corporate equity funds raised in United States											
62 **Total net share issues**	**−98.6**	**−59.6**	**22.2**	**210.6**	**282.5[r]**	**274.2[r]**	**264.1[r]**	**293.3[r]**	**298.4[r]**	**292.2**	**461.9**	**497.9**
63 Mutual funds	6.1	38.5	67.9	150.5	206.7[r]	174.4	199.5[r]	235.2[r]	217.7[r]	240.9	357.5	340.3
64 All other	−104.7	−98.1	−45.7	60.1	75.8[r]	99.9[r]	64.6[r]	58.1[r]	80.7[r]	51.2	104.4	157.6
65 Nonfinancial corporations	−129.5	−124.2	−63.0	18.3	26.8	46.0	36.0	11.0	14.0	9.0	26.0	30.0
66 Financial corporations	23.9	8.8	9.9	11.2	18.4[r]	24.8[r]	17.4[r]	12.3[r]	19.2[r]	10.3	28.1	27.2
67 Foreign shares purchased in United States	.9	17.2	7.4	30.7	30.6	29.1	11.2	34.8	47.5	31.9	50.3	100.4

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.2 through F.5. For ordering address, see inside front cover.

1.58 SUMMARY OF FINANCIAL TRANSACTIONS[1]

Billions of dollars except as noted; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1988	1989	1990	1991	1992	1992				1993		
						Q1	Q2	Q3	Q4	Q1[r]	Q2[r]	Q3
NET LENDING IN CREDIT MARKETS[2]												
1 **Total net lending in credit markets**	**998.8**	**946.8**	**848.4**	**639.8**	**816.0[r]**	**772.8[r]**	**850.2[r]**	**943.0[r]**	**698.1[r]**	**598.1**	**824.5**	**1,024.9**
2 Private domestic nonfinancial sectors	196.1	122.6	162.8	-16.1	79.0[r]	135.5[r]	150.9[r]	-62.3[r]	92.1[r]	-140.8	-118.1	-155.2
3 Households	170.3	78.6	140.1	-49.7	50.2[r]	118.2[r]	109.6[r]	-99.7[r]	72.5[r]	-124.7	-134.6	-167.5
4 Nonfarm noncorporate business	3.1	-.7	-1.7	-4.2	-2.4	-3.9	-2.7	-2.0	-1.0	-3.7	-3.0	-2.2
5 Nonfinancial corporate business	5.7	13.6	-5.3	4.3	36.3	25.1	36.8	46.5	36.9	-1.8	14.3	25.9
6 State and local governments	17.1	31.1	29.6	33.5	-5.0	-3.9	7.2	-7.1	-16.3	-10.5	5.1	-11.5
7 U.S. government	-10.6	-3.1	33.7	10.5	-11.9	15.2	-23.0	-26.7	-13.1	-24.1	-27.8	-15.4
8 Foreign	108.6	84.4	82.1	25.6	100.7[r]	96.5[r]	140.7[r]	78.1[r]	87.5[r]	73.2	89.5	144.0
9 Financial sectors	704.8	742.9	569.9	619.8	648.2[r]	525.6[r]	581.7[r]	953.9[r]	531.5[r]	689.8	880.9	1,051.6
10 Government sponsored enterprises	33.2	-4.1	16.4	14.2	69.0[r]	92.7	38.6	73.0	71.7[r]	14.6	144.1	162.7
11 Federally related mortgage pools	74.9	124.3	150.3	136.6	115.6	115.3	146.9	101.6	98.4	133.6	-6.1	103.1
12 Monetary authority	10.5	-7.3	8.1	31.1	27.9	28.5	19.0	15.7	48.3	44.5	32.6	28.2
13 Commercial banking	156.5	177.2	125.1	84.3	94.8	85.1	72.7	148.0	73.3	86.4	153.4	132.6
14 U.S. commercial banks	126.4	146.1	94.9	39.2	69.8	76.3	13.3	123.5	66.0	100.4	142.0	147.0
15 Foreign banking offices	29.4	26.7	28.4	48.5	16.5	-.5	56.7	5.2	4.8	-12.5	-.7	-17.2
16 Bank holding companies	-.1	2.8	-2.8	-1.5	5.6	7.1	-.4	16.4	-.6	-4.3	9.5	.3
17 Banks in U.S. affiliated areas	.8	1.6	4.5	-1.9	2.9	2.2	3.2	3.0	3.0	2.9	2.6	2.5
18 Private nonbank finance	429.7	452.9	270.0	353.7	341.0[r]	204.1[r]	304.5[r]	615.5[r]	239.9[r]	410.7	556.8	625.0
19 Thrift institutions	114.8	-86.6	-153.3	-123.0	-59.9	-105.0[r]	-75.8[r]	-42.6[r]	-16.1[r]	-28.2	-17.1	7.4
20 Insurance	199.0	257.4	181.6	234.3	164.5[r]	97.2[r]	185.4[r]	217.8[r]	157.8	291.4	175.5	248.2
21 Life insurance companies	104.0	101.8	94.4	83.2	82.4	73.7	66.9	85.1	103.7	122.1	108.0	103.0
22 Other insurance companies	29.2	29.7	26.5	32.3	12.7	28.8	16.4	-2.8	8.3	8.9	10.6	9.0
23 Private pension funds	29.2	81.1	17.2	85.3	37.3[r]	-33.2[r]	74.1[r]	99.9[r]	8.4	118.0	11.1	86.3
24 State and local government retirement funds	36.6	44.7	43.5	33.5	32.2	27.8	28.0	35.6	37.4	42.4	45.9	49.9
25 Finance n.e.c.	115.9	282.2	241.7	242.3	236.3[r]	211.9[r]	194.9[r]	440.4[r]	98.2[r]	147.5	398.3	369.5
26 Finance companies	38.1	32.0	28.4	-12.1	1.7	-5.3	-16.0	4.0	24.0	-34.0	-22.8	5.7
27 Mortgage companies	-7.4	6.1	-8.0	11.4	.1	23.0	-38.5	28.9	-12.8	-20.8	31.7	5.4
28 Mutual funds	11.9	23.8	41.4	90.3	123.7[r]	95.1	123.7[r]	156.9[r]	119.2[r]	130.2	193.4	171.2
29 Closed-end funds	19.8	6.3	.0	15.2	12.3	17.9	9.4	8.7	13.1	8.9	13.0	11.0
30 Money market funds	10.7	67.1	80.9	30.1	1.3	19.1	3.8[r]	8.5[r]	-26.1[r]	-65.0	51.8	44.6
31 Real estate investment trusts (REITs)	.9	.5	-.7	-1.0	.4[r]	-.7[r]	2.6	-.3	-.1	2.9	.8	1.3
32 Brokers and dealers	-8.2	96.3	34.9	49.0	40.2	-2.4	73.0	180.3	-90.2	79.5	66.7	55.5
33 Asset-backed securities (ABSs)	35.9	27.7	49.9	49.0	48.6	33.0	45.2	62.6	53.6	46.7	49.4	75.3
34 Bank personal trusts	14.3	22.4	14.8	10.4	8.0	32.2	-8.4	-9.3	17.3	-.9	14.4	-.5
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
35 **Net flows through credit markets**	**998.8**	**946.8**	**848.4**	**639.8**	**816.0[r]**	**772.8[r]**	**850.2[r]**	**943.0[r]**	**698.1[r]**	**598.1**	**824.5**	**1,024.9**
Other financial sources												
36 Official foreign exchange	4.0	24.8	2.0	-5.9	-1.6	3.5	-6.5	-8.5	5.1	3.4	-3.5	4.2
37 Treasury currency and special drawing rights	.5	4.1	2.5	.0	-1.8	.1	.3	.2	-7.7	.3	.4	.4
38 Life insurance reserves	25.3	28.8	25.7	25.7	28.4	33.8	22.7	27.3	29.8	51.4	41.0	39.4
39 Pension fund reserves	140.1	309.7	158.1	358.8	214.8[r]	129.0[r]	194.4[r]	278.5[r]	257.4[r]	340.7	199.8	273.0
40 Interbank claims	2.9	-16.5	34.2	-3.7	49.0[r]	25.7[r]	36.9[r]	82.3[r]	51.1[r]	17.7	54.9	-19.8
41 Deposits at financial institutions	278.6	284.8	98.1	48.2	9.3	-.7	6.3[r]	174.1[r]	-142.7[r]	-8.2	247.2	70.3
42 Checkable deposits and currency	43.2	6.1	44.2	75.8	122.8[r]	86.4	110.8[r]	200.4[r]	93.5[r]	25.0	232.2	96.4
43 Small time and savings deposits	121.6	100.4	59.0	16.7	-60.8	-40.1	-81.8	-83.6	-37.8[r]	-158.9	-54.2	-87.1
44 Large time deposits	53.1	13.9	-65.7	-60.8	-80.0	-72.9	-109.9	-52.9	-84.2	1.9	-17.5	-57.3
45 Money market fund shares	21.9	90.1	70.3	41.2	3.9	44.4	26.7[r]	-22.4[r]	-32.9[r]	-37.7	66.8	57.2
46 Security repurchase agreements	23.7	77.8	-24.2	-16.5	33.6	8.1	103.7	89.6	-67.1	180.3	17.6	86.4
47 Foreign deposits	15.2	-3.6	14.6	-8.2	-10.2	-26.6	-43.2	43.0	-14.2	-18.8	2.4	-25.2
48 Mutual fund shares	6.1	38.5	67.9	150.5	206.7[r]	174.4	199.5[r]	235.2[r]	217.7[r]	240.9	357.5	340.3
49 Corporate equities	-104.7	-98.1	-45.7	60.1	75.8[r]	99.9[r]	64.6[r]	58.1[r]	80.7[r]	51.2	104.4	157.6
50 Security credit	3.0	15.6	3.5	51.4	4.2	-66.7	-4.9	82.8	5.5	39.7	38.3	34.8
51 Trade debt	89.6	59.4	32.1	-2.2	57.9	79.8	56.5	57.8	37.5	27.3	42.5	42.4
52 Taxes payable	5.3	2.0	-4.5	-8.5	7.7	8.5	6.1	6.5	9.9	9.6	11.3	4.1
53 Noncorporate proprietors' equity	-24.0	-31.1	-35.5	-12.5	-10.7[r]	-25.8[r]	12.3[r]	-33.2[r]	4.0[r]	3.6	-7.2	-28.7
54 Investment in bank personal trusts	7.2	23.1	21.5	29.8	-7.5	40.2	20.2	-55.4	-35.2	-10.1	35.8	-23.0
55 Miscellaneous	199.2	292.1	98.2	169.9	196.4[r]	93.1[r]	272.6[r]	209.0[r]	210.9[r]	233.2	355.1	228.7
56 **Total financial sources**	**1,632.0**	**1,883.8**	**1,306.5**	**1,501.3**	**1,644.7[r]**	**1,367.6[r]**	**1,731.2[r]**	**2,057.7[r]**	**1,422.3[r]**	**1,598.7**	**2,302.0**	**2,148.7**
Floats not included in assets (–)												
57 U.S. government checkable deposits	1.6	8.4	3.3	-13.1	.7	11.3	-9.5	4.4	-3.6	.1	6.2	-5.1
58 Other checkable deposits	.8	-3.2	2.5	2.0	1.6	13.8	2.0	-11.7	2.3	-1.8	-1.4	-5.6
59 Trade credit	-6.2	-1.9	2.5	8.1	21.5[r]	25.0	11.3	44.0[r]	5.7	-21.8	8.7	3.9
Liabilities not identified as assets (–)												
60 Treasury currency	-.1	-.2	.2	-.6	-.2	-.3[r]	-.2[r]	-.2[r]	-.1	-.2	-.2	-.2
61 Interbank claims	-3.0	-4.4	1.6	26.2	-4.0	8.2	-18.2	-5.3	-.6	9.3	-.3	-14.8
62 Security repurchase agreements	-29.6	32.4	-31.5	5.2	31.1	-26.7	84.1	43.5[r]	23.4[r]	155.2	25.4	78.6
63 Taxes payable	6.3	2.3	.5	.4	6.7	-7.6	7.0	23.8	3.7	-11.2	23.2	5.3
64 Miscellaneous	47.3	-77.8	-23.6	-32.1	-15.4[r]	-60.5[r]	-62.9[r]	11.9[r]	49.9[r]	29.5	-31.0	-21.9
65 **Total identified to sectors as assets**	**1,614.8**	**1,928.2**	**1,351.0**	**1,505.2**	**1,602.7[r]**	**1,404.4[r]**	**1,717.6[r]**	**1,947.4[r]**	**1,341.6[r]**	**1,439.5**	**2,271.5**	**2,108.5**

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.6 and F.7. For ordering address, see inside front cover.

2. Excludes corporate equities and mutual fund shares.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING[1]

Billions of dollars, end of period

Transaction category or sector	1989	1990	1991	1992	1992 Q1	1992 Q2	1992 Q3	1992 Q4	1993 Q1[r]	1993 Q2[r]	1993 Q3
						Nonfinancial sectors					
1 **Total credit market debt owed by domestic nonfinancial sectors**	**10,054.3**	**10,692.0**	**11,160.6**	**11,746.9[r]**	**11,289.2[r]**	**11,427.0[r]**	**11,580.3[r]**	**11,746.9[r]**	**11,823.0**	**11,979.2**	**12,125.4**
By lending sector and instrument											
2 U.S. government	2,251.2	2,498.1	2,776.4	3,080.3	2,859.7	2,923.3	2,998.9	3,080.3	3,140.2	3,201.2	3,247.3
3 Treasury securities	2,227.0	2,465.8	2,757.8	3,061.6	2,844.0	2,907.4	2,980.7	3,061.6	3,120.6	3,180.6	3,222.6
4 Agency issues and mortgages	24.2	32.4	18.6	18.8	15.8	15.9	18.1	18.8	19.6	20.6	24.7
5 Private	7,803.1	8,193.9	8,384.3	8,666.5[r]	8,429.4[r]	8,503.7[r]	8,581.5[r]	8,666.5[r]	8,682.9	8,777.9	8,878.2
By instrument											
6 Tax-exempt obligations	1,004.7	1,062.1	1,131.6	1,197.3	1,145.5	1,163.7	1,186.4	1,197.3	1,210.0	1,225.7	1,239.5
7 Corporate bonds	961.1	1,008.2	1,086.9	1,154.2	1,106.0	1,125.4	1,140.8	1,154.2	1,172.9	1,189.2	1,203.0
8 Mortgages	3,512.8	3,715.4	3,880.4	4,001.9[r]	3,918.1[r]	3,941.5[r]	3,979.7[r]	4,001.9[r]	4,017.9	4,057.6	4,117.6
9 Home mortgages	2,380.5	2,580.6	2,746.6	2,922.7[r]	2,791.8[r]	2,825.6[r]	2,880.8[r]	2,922.7[r]	2,945.8	2,996.0	3,057.6
10 Multifamily residential	304.3	305.5	303.0	291.9	305.9	301.7[r]	298.9[r]	291.9	290.3	287.1	287.1
11 Commercial	747.6	750.8	751.7	706.5[r]	740.3[r]	733.8	719.4	706.5[r]	701.1	693.8	692.1
12 Farm	80.5	78.4	79.1	80.7[r]	80.2[r]	80.4[r]	80.6[r]	80.7[r]	80.8	80.8	80.9
13 Consumer credit	799.5	813.0	799.9	809.2	777.6	776.9	784.5	809.2	793.7	802.3	821.7
14 Bank loans n.e.c.	750.8	747.8	701.0	695.6[r]	685.5[r]	694.0[r]	686.2[r]	695.6[r]	683.0	691.9	691.9
15 Commercial paper	107.1	116.9	98.5	107.1	110.4	112.0	108.2	107.1	114.6	125.0	124.3
16 Other loans	667.0	730.6	685.9	701.2[r]	686.2[r]	690.1[r]	695.8[r]	701.2[r]	690.8	686.2	680.2
By borrowing sector											
17 Household	3,371.4	3,594.8	3,762.7	3,978.0[r]	3,782.6	3,837.3[r]	3,900.0[r]	3,978.0[r]	3,982.2	4,046.8	4,135.1
18 Nonfinancial business	3,615.7	3,728.5	3,688.7	3,696.3[r]	3,701.5[r]	3,705.4[r]	3,698.3[r]	3,696.3[r]	3,693.6	3,708.0	3,704.9
19 Farm	134.4	134.9	134.8	136.3[r]	133.6[r]	137.0[r]	137.9[r]	136.3[r]	133.5	136.8	138.8
20 Nonfarm noncorporate	1,199.6	1,219.0	1,192.3	1,154.5[r]	1,187.6[r]	1,177.3[r]	1,165.1[r]	1,154.5[r]	1,144.2	1,138.3	1,132.0
21 Corporate	2,281.7	2,374.6	2,361.6	2,405.5[r]	2,380.3[r]	2,391.1[r]	2,395.3[r]	2,405.5[r]	2,415.9	2,432.9	2,434.0
22 State and local government	816.1	870.5	932.8	992.2	945.3	961.0	983.1	992.2	1,007.1	1,023.2	1,038.2
23 **Foreign credit market debt held in United States**	**261.2**	**285.1**	**298.9**	**313.8**	**288.7**	**304.7**	**312.9**	**313.8**	**324.8**	**333.1**	**351.5**
24 Bonds	94.1	115.4	129.5	146.9	130.8	136.2	141.3	146.9	165.8	173.4	194.8
25 Bank loans n.e.c.	21.4	18.5	21.6	23.9	22.0	25.5	26.5	23.9	24.3	25.9	26.2
26 Open market paper	63.0	75.3	81.8	77.7	70.5	77.4	80.7	77.7	72.3	72.1	71.7
27 U.S. government loans	82.7	75.8	66.0	65.4	65.5	65.6	64.4	65.4	62.5	61.7	58.8
28 **Total credit market debt owed by nonfinancial sectors, domestic and foreign**	**10,315.5**	**10,977.1**	**11,459.5**	**12,060.7[r]**	**11,577.9[r]**	**11,731.8[r]**	**11,893.2[r]**	**12,060.7[r]**	**12,147.9**	**12,312.3**	**12,476.9**
						Financial sectors					
29 **Total credit market debt owed by financial sectors**	**2,362.7**	**2,559.4**	**2,709.7**	**2,928.5[r]**	**2,751.2**	**2,805.7[r]**	**2,877.4[r]**	**2,928.5[r]**	**2,961.7**	**2,997.3**	**3,087.6**
By instrument											
30 U.S. government-related	1,247.8	1,418.4	1,564.2	1,720.0	1,590.3	1,641.6	1,683.5	1,720.0	1,755.8	1,774.5	1,842.2
31 Government-sponsored enterprises securities	373.3	393.7	402.9	443.1	405.7	417.8	434.7	443.1	451.2	468.4	510.3
32 Mortgage pool securities	869.5	1,019.9	1,156.5	1,272.0	1,179.8	1,219.0	1,244.0	1,272.0	1,299.8	1,301.3	1,327.1
33 Loans from U.S. government	5.0	4.9	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
34 Private	1,114.8	1,140.9	1,145.6	1,208.5[r]	1,160.9	1,164.1[r]	1,193.9[r]	1,208.5[r]	1,205.9	1,222.9	1,245.4
35 Corporate bonds	509.1	549.9	606.6	665.0[r]	613.8	628.6	646.4[r]	665.0[r]	680.0	693.9	715.4
36 Mortgages	4.0	4.3	5.1	5.1	5.0	5.0[r]	5.1[r]	5.1	5.4	6.0	6.6
37 Bank loans n.e.c.	50.9	52.0	69.1	64.2	72.7	63.1	67.5[r]	64.2	56.9	55.8	52.8
38 Open market paper	409.1	417.7	385.7	394.3	393.2	390.5	394.6	394.3	378.7	375.1	371.7
39 Loans from Federal Home Loan Banks	141.8	117.1	79.1	79.9	76.3	76.9	80.2	79.9	85.0	92.1	98.9
By borrowing sector											
40 Government-sponsored enterprises	378.3	398.5	407.7	447.9	410.5	422.6	439.5	447.9	456.0	473.2	515.1
41 Federally related mortgage pools	869.5	1,019.9	1,156.5	1,272.0	1,179.8	1,219.0	1,244.0	1,272.0	1,299.8	1,301.3	1,327.1
42 Private financial sectors	1,114.8	1,140.9	1,145.6	1,208.5[r]	1,160.9	1,164.1[r]	1,193.9[r]	1,208.5[r]	1,205.9	1,222.9	1,245.4
43 Commercial banks	77.4	76.7	65.0	73.8	63.8	66.2	69.0	73.8	73.1	76.6	77.9
44 Bank affiliates	142.5	114.8	112.3	114.6	115.0	112.7	114.4	114.6	119.9	120.2	119.9
45 Funding corporations	125.4	137.9	124.3	135.2[r]	137.6	144.9[r]	143.0[r]	135.2[r]	127.1	128.9	125.0
46 Savings institutions	169.2	139.1	94.6	87.8	89.8	87.6	89.2	87.8	90.3	93.4	96.8
47 Credit unions	.0	.0	.0	.0	.0	.0	.0	.0	.0	.1	.2
48 Life insurance companies	.0	.0	.0	.0	.0	.0	.0	.0	.0	.2	.1
49 Finance companies	350.4	374.4	393.0	389.4	382.2	377.4	382.7	389.4	379.1	369.8	372.2
50 Mortgage companies	11.3	7.3	13.0	13.0	19.8	11.0	14.6	13.0	10.4	14.4	15.0
51 Real estate investment trusts (REITs)	11.4	12.4	14.0	14.1	14.4	14.8[r]	15.3[r]	14.1	13.7	14.4	15.3
52 Securitized credit obligation (SCO) issuers	227.3	278.3	329.4	380.5[r]	338.2	349.5	365.7[r]	380.5[r]	392.3	404.9	423.1
						All sectors					
53 **Total credit market debt, domestic and foreign**	**12,678.2**	**13,536.5**	**14,169.3**	**14,989.2[r]**	**14,329.1[r]**	**14,537.5[r]**	**14,770.6[r]**	**14,989.2[r]**	**15,109.5**	**15,309.6**	**15,564.5**
54 U.S. government securities	3,494.1	3,911.7	4,335.7	4,795.5	4,445.2	4,560.1	4,677.6	4,795.5	4,891.2	4,970.9	5,084.7
55 Tax-exempt securities	1,004.7	1,062.1	1,131.6	1,197.3	1,145.5	1,163.7	1,186.4	1,197.3	1,210.0	1,225.7	1,239.5
56 Corporate and foreign bonds	1,564.3	1,673.5	1,823.1	1,966.1[r]	1,850.5	1,890.2	1,928.5[r]	1,966.1[r]	2,018.7	2,056.4	2,113.1
57 Mortgages	3,516.8	3,719.7	3,885.5	4,007.0[r]	3,923.2[r]	3,946.6[r]	3,984.8[r]	4,007.0[r]	4,023.3	4,063.7	4,124.2
58 Consumer credit	799.5	813.0	799.9	809.2	777.6	776.9	784.5	809.2	793.7	802.3	821.7
59 Bank loans n.e.c.	823.0	818.3	791.7	783.7[r]	780.2[r]	782.7[r]	780.2[r]	783.7[r]	764.3	773.6	770.9
60 Open market paper	579.2	609.9	565.9	579.0	574.1	579.9	583.6	579.0	565.5	572.2	567.8
61 Other loans	896.5	928.4	835.8	851.3[r]	832.8[r]	837.4[r]	845.1[r]	851.3[r]	843.0	844.8	842.7

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables L.2 through L.4. For ordering address, see inside front cover.

1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES[1]

Billions of dollars except as noted, end of period

Transaction category or sector	1989	1990	1991	1992	1992 Q1	1992 Q2	1992 Q3	1992 Q4	1993 Q1r	1993 Q2r	1993 Q3
CREDIT MARKET DEBT OUTSTANDING[2]											
1 **Total credit market assets**	**12,678.2**	**13,536.5**	**14,169.3**	**14,989.2r**	**14,329.1r**	**14,537.5r**	**14,770.6r**	**14,989.2r**	**15,109.5**	**15,309.6**	**15,564.5**
2 Private domestic nonfinancial sectors	2,096.4	2,246.8	2,205.8	2,290.7r	2,211.4r	2,233.1r	2,221.6r	2,290.7r	2,247.6	2,200.2	2,165.4
3 Households	1,326.8	1,454.6	1,380.0	1,436.0r	1,388.9r	1,395.2r	1,381.1r	1,436.0r	1,405.4	1,348.0	1,316.8
4 Nonfarm noncorporate business	56.5	54.9	50.7	48.3	49.3	48.7	48.1	48.3	47.0	46.3	45.6
5 Nonfinancial corporate business	181.2	175.8	180.1	216.4	180.0	192.6	199.5	216.4	208.6	216.3	218.1
6 State and local governments	531.9	561.5	595.1	590.0	593.3	596.6	592.9	590.0	586.5	589.6	584.9
7 U.S. government	205.4	239.1	247.0	235.1	251.2	246.3	239.2	235.1	229.5	223.4	219.0
8 Foreign	778.7	897.5	936.2	1,031.1r	960.4r	995.6r	1,015.1r	1,031.1r	1,040.9	1,063.3	1,099.3
9 Financial sectors	9,597.7	10,153.1	10,780.3	11,432.2r	10,906.0r	11,062.5r	11,294.7r	11,432.2r	11,591.6	11,822.8	12,080.9
10 Government-sponsored enterprises	355.4	371.8	397.7	466.7r	419.9	429.0	446.3	466.7r	464.1	499.2	538.9
11 Federally related mortgage pools	869.5	1,019.9	1,156.5	1,272.0	1,179.8	1,219.0	1,244.0	1,272.0	1,299.8	1,301.3	1,327.1
12 Monetary authority	233.3	241.4	272.5	300.4	271.8	282.6	285.2	300.4	303.6	318.2	324.2
13 Commercial banking	2,647.4	2,772.5	2,856.8	2,951.6	2,864.5	2,887.6	2,928.2	2,951.6	2,960.9	3,003.2	3,040.4
14 U.S. commercial banks	2,371.9	2,466.7	2,506.0	2,575.7	2,517.3	2,525.2	2,560.0	2,575.7	2,594.6	2,633.8	2,674.8
15 Foreign banking offices	242.3	270.8	319.2	335.8	313.3	328.2	328.9	335.8	326.7	327.1	322.3
16 Bank holding companies	16.2	13.4	11.9	17.5	13.6	13.1	17.5	17.5	16.4	18.4	18.8
17 Banks in U.S. affiliated areas	17.1	21.6	19.7	22.5	20.2	21.0	21.8	22.5	23.3	23.9	24.5
18 Private nonbank finance	5,491.9	5,747.4	6,096.7	6,441.5r	6,170.1r	6,244.3r	6,391.0r	6,441.5r	6,563.2	6,700.9	6,850.4
19 Thrift institutions	1,475.4	1,324.6	1,197.3	1,140.9r	1,172.0r	1,154.1r	1,145.1r	1,140.9r	1,131.2	1,128.0	1,131.5
20 Insurance	2,320.7	2,473.7	2,708.0	2,872.5r	2,736.6r	2,787.4r	2,841.7r	2,872.5r	2,950.2	2,999.2	3,061.1
21 Life insurance companies	1,022.0	1,116.5	1,199.6	1,282.0	1,222.3	1,243.6	1,264.7	1,282.0	1,317.3	1,349.5	1,375.1
22 Other insurance companies	317.5	344.0	376.3	389.0	383.5	387.6	386.9	389.0	391.2	393.8	396.1
23 Private pension funds	590.2	607.4	692.7	730.0r	684.4r	702.9r	727.9r	730.0r	759.5	762.2	783.8
24 State and local government retirement funds	390.9	405.9	439.4	471.6	446.3	453.3	462.2	471.6	482.2	493.7	506.1
25 Finance n.e.c.	1,695.9	1,949.1	2,191.5	2,428.0r	2,261.5	2,302.8r	2,404.1r	2,428.0r	2,481.8	2,573.6	2,657.8
26 Finance companies	468.6	497.0	484.9	486.6	479.5	480.5	477.8	486.6	473.7	473.5	471.4
27 Mortgage companies	22.6	14.6	25.9	26.1	31.7	22.1	29.3	26.1	20.9	28.8	30.1
28 Mutual funds	307.2	360.2	450.5	574.2r	478.8	510.2r	550.2r	574.2r	611.4	659.9	704.3
29 Closed-end funds	37.1	37.1	52.4	64.6	56.8	59.2	61.3	64.6	66.9	70.1	72.8
30 Money market funds	291.8	372.7	402.7	404.1	424.0	412.0r	408.2r	404.1	404.5	404.0	409.0
31 Real estate investment trusts (REITs)	8.4	7.7	6.8	7.4	6.8	7.5	7.4	7.4	8.1	8.3	8.6
32 Brokers and dealers	142.9	177.9	226.9	267.1	226.3	244.6	289.6	267.1	287.0	303.6	317.5
33 Asset-backed securities (ABSs)	219.3	269.1	318.1	366.7	326.3	337.6	353.3	366.7	378.4	390.7	409.5
34 Bank personal trusts	198.0	212.9	223.3	231.2	231.3	229.2	226.9	231.2	231.0	234.6	234.5
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
35 **Total credit market debt**	**12,678.2**	**13,536.5**	**14,169.3**	**14,989.2r**	**14,329.1r**	**14,537.5r**	**14,770.6r**	**14,989.2r**	**15,109.5**	**15,309.6**	**15,564.5**
Other liabilities											
36 Official foreign exchange	53.6	61.3	55.4	51.8	52.7	54.4	55.4	51.8	54.5	53.9	55.6
37 Treasury currency and special drawing rights certificates	23.8	26.3	26.3	24.5	26.3	26.4	26.5	24.5	24.6	24.7	24.8
38 Life insurance reserves	354.3	380.0	405.7	434.1	414.2	419.8	426.7	434.1	447.0	457.2	467.1
39 Pension fund reserves	3,356.1	3,400.3	4,056.5	4,369.8r	4,048.2r	4,105.0r	4,228.5r	4,369.8r	4,509.1	4,570.4	4,710.7
40 Interbank claims	32.4	64.0	65.2	114.0r	63.0r	68.5r	101.3r	114.0r	109.9	118.5	129.4
41 Deposits at financial institutions	4,736.7	4,836.8	4,885.2	4,892.1	4,878.6	4,870.6r	4,909.3r	4,892.1	4,885.9	4,934.2	4,949.2
42 Checkable deposits and currency	888.6	932.8	1,008.5	1,131.0	984.3	1,032.9r	1,072.0r	1,131.0	1,092.2	1,169.1	1,182.6
43 Small time and savings deposits	2,277.4	2,336.3	2,353.0	2,292.2	2,351.3	2,325.8	2,303.7	2,292.2	2,261.2	2,242.3	2,219.4
44 Large time deposits	603.4	537.7	476.9	397.2	459.2	427.5	418.4	397.2	398.3	389.9	379.7
45 Money market fund shares	428.1	498.4	539.6	543.6	572.0	556.9r	552.9r	543.6	556.6	549.9	566.2
46 Security repurchase agreements	396.5	372.3	355.8	389.4	367.0	393.5	417.6	389.4	443.5	448.3	472.8
47 Foreign deposits	142.8	159.4	151.3	138.8	144.7	133.9	144.6	138.8	134.1	134.7	128.4
48 Mutual fund shares	566.2	602.1	813.9	1,042.1r	860.4	924.4r	965.6r	1,042.1r	1,134.6	1,225.8	1,342.1
49 Security credit	133.9	137.4	188.9	217.3	194.6	193.3	214.5	217.3	225.1	234.7	243.9
50 Trade debt	904.2	936.4	926.7	984.7	938.0	950.0	970.5	984.7	982.3	991.2	1,008.1
51 Taxes payable	81.8	77.4	68.9	76.6	73.1	70.7	74.5	76.6	81.3	79.8	83.3
52 Investment in bank personal trusts	503.2	509.9	596.7	619.1	612.9	612.7	610.9	619.1	625.0	635.6	643.6
53 Miscellaneous	2,591.1	2,732.4	2,884.3	3,056.2r	2,899.7r	2,957.3r	3,027.6r	3,056.2r	3,082.3	3,149.3	3,203.6
54 **Total liabilities**	**26,015.5**	**27,300.7**	**29,143.0**	**30,871.4r**	**29,390.8r**	**29,790.7r**	**30,381.7r**	**30,871.4r**	**31,271.1**	**31,784.9**	**32,425.8**
Financial assets not included in liabilities (+)											
55 Gold and special drawing rights	21.0	22.0	22.3	19.6	22.0	22.7	23.2	19.6	19.8	20.0	20.3
56 Corporate equities	3,812.9	3,543.7	4,869.4	5,540.6	4,925.6	4,837.0	4,995.4	5,540.6	5,721.3	5,741.9	6,006.6
57 Household equity in noncorporate business	2,508.1	2,440.6	2,344.6	2,266.6r	2,351.4r	2,335.3r	2,313.9r	2,266.6r	2,237.6	2,237.4	2,225.1
Floats not included in assets (−)											
58 U.S. government checkable deposits	6.1	15.0	3.8	6.8	.9	1.4	4.0	6.8	3.4	3.5	2.2
59 Other checkable deposits	26.5	28.9	30.9	32.5	29.5	32.6	23.3	32.5	27.2	29.6	21.7
60 Trade credit	−148.6	−146.0	−144.1	−121.9r	−142.7	−151.1	−144.2r	−121.9r	−132.1	−141.8	−144.6
Liabilities not identified as assets (−)											
61 Treasury currency	−4.3	−4.1	−4.8	−4.9r	−4.8r	−4.9	−4.9r	−4.9r	−5.0	−5.0	−5.1
62 Interbank claims	−31.0	−32.0	−4.2	−8.4	−1.8	−4.0	−4.3	−8.4	−5.2	−3.9	−5.6
63 Security repurchase agreements	13.7	−17.7	−12.5	18.6	−4.8	19.6	33.1r	18.6	71.8	82.4	106.8
64 Taxes payable	20.6	17.8	15.5	22.2r	7.3r	13.1r	18.1r	22.2r	12.4	21.9	22.9
65 Miscellaneous	−210.7	−213.4	−254.6	−251.3r	−280.6r	−282.1r	−267.7r	−251.3r	−279.4	−274.6	−319.5
66 **Total identified to sectors as assets**	**32,685.1**	**33,658.6**	**36,749.2**	**39,004.7r**	**37,086.8r**	**37,361.0r**	**38,056.8r**	**39,004.7r**	**39,556.7**	**40,072.2**	**40,999.0**

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables L.6 and L.7. For ordering address, see inside front cover.

2. Excludes corporate equities and mutual fund shares.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

Monthly data seasonally adjusted, and indexes 1987=100, except as noted

Measure	1991	1992	1993	1993 Apr.	May	June	July	Aug.[r]	Sept.[r]	Oct.[r]	Nov.	Dec.
1 **Industrial production**[1]	**104.1**	**106.5**	**111.0**	**110.4**	**110.2**	**110.5**	**110.8**	**111.0**	**111.4**	**112.1**	**113.2**	**114.0**
Market groupings												
2 Products, total	103.1	105.6	110.2	109.6	109.3	109.4	110.0	110.3	110.5	111.4	112.4	113.0
3 Final, total	105.3	108.2	113.5	112.8	112.5	112.7	113.2	113.5	113.8	114.8	115.9	116.6
4 Consumer goods	102.8	105.2	108.1	108.1	107.3	107.3	107.7	107.8	107.4	108.6	109.6	109.8
5 Equipment	108.9	112.7	121.2	119.7	119.9	120.4	121.2	121.6	122.9	123.8	125.2	126.6
6 Intermediate	96.5	97.6	100.1	100.0	99.7	99.4	100.4	100.6	100.4	101.0	101.8	101.9
7 Materials	105.5	107.9	112.2	111.5	111.6	112.1	112.0	112.2	112.7	113.2	114.3	115.5
Industry groupings												
8 Manufacturing	103.7	106.9	111.9	111.4	111.3	111.3	111.6	111.9	112.3	113.2	114.5	115.3
9 Capacity utilization, manufacturing (percent)[2]	77.8	78.8	81.1	80.9	80.7	80.6	80.7	80.8	81.0	81.5	82.3	82.7
10 Construction contracts[3]	89.7	97.7	98.8	94.0	91.0	104.0	98.0	99.0	101.0	103.0	105.0	102.0
11 Nonagricultural employment, total[4]	n.a.	n.a.	n.a.	107.7	107.9	108.0	108.2	108.2	108.4	108.5	108.7	108.9
12 Goods-producing, total	96.6	94.9	n.a.	93.1	93.2	93.0	93.0	92.8	92.8	93.0	93.2	93.2
13 Manufacturing, total	n.a.	n.a.	n.a.	94.0	93.8	93.5	93.5	93.3	93.2	93.2	93.4	93.4
14 Manufacturing, production workers	96.3	95.3	n.a.	94.0	93.8	93.5	93.5	93.2	93.2	93.3	93.6	93.6
15 Service-producing	109.3	110.0	n.a.	112.4	112.6	112.8	113.1	113.1	113.4	113.5	113.7	113.9
16 Personal income, total	127.6	135.3	n.a.	141.1	141.5	141.3	141.1[r]	142.9	143.1	144.1	145.0	n.a.
17 Wages and salary disbursements	124.5	131.5	n.a.	135.7	136.8	136.5	137.2[r]	138.2	138.0	138.7	139.2	n.a.
18 Manufacturing	113.7	117.8	n.a.	118.8	118.4	118.0	118.2	118.6	119.1	119.1	119.9	n.a.
19 Disposable personal income[5]	128.6	136.8	n.a.	142.5	142.8	142.6	142.3[r]	144.1	144.4	145.4	146.4	n.a.
20 Retail sales[6]	121.3	127.1	135.3	133.0	133.9	134.6	135.2	136.2	136.5	139.3	139.7	140.9
Prices[7]												
21 Consumer (1982–84=100)	136.2	140.3	144.5	144.0	144.2	144.4	144.4	144.8	145.1	145.7	145.8	145.8
22 Producer finished goods (1982=100)	121.7	123.2	124.7	125.5	125.8	125.5	125.3	124.2	123.9	124.7	124.4	124.1

1. A major revision of the industrial production index and the capacity utilization rates was released in April 1990. See "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187–204.
2. Ratio of index of production to index of capacity. Based on data from the Federal Reserve, DRI McGraw-Hill, U.S. Department of Commerce, and other sources.
3. Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Information Systems Company, F.W. Dodge Division.
4. Based on data from U.S. Department of Labor, *Employment and Earnings*. Series covers employees only, excluding personnel in the armed forces.
5. Based on data from U.S. Department of Commerce, *Survey of Current Business*.
6. Based on data from U.S. Department of Commerce, *Survey of Current Business*.
7. Based on data not seasonally adjusted. Seasonally adjusted data for changes in the price indexes can be obtained from the U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.

NOTE. Basic data (not indexes) for series mentioned in notes 4, 5,and 6, and indexes for series mentioned in notes 3 and 7 can also be found in the *Survey of Current Business*.

Figures for industrial production for the latest month are preliminary, and many figures for the three months preceding the latest month have been revised. See "Recent Developments in Industrial Capacity and Utilization," *Federal Reserve Bulletin*, vol. 76 (June 1990), pp. 411–35. See also "Industrial Production Capacity and Capacity Utilization since 1987," *Federal Reserve Bulletin*, vol. 79, (June 1993), pp. 590–605.

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data seasonally adjusted except as noted

Category	1991	1992	1993	1993 May	June	July	Aug.	Sept.[r]	Oct.[r]	Nov.	Dec.
HOUSEHOLD SURVEY DATA											
1 **Noninstitutional population**[1]	**191,329**	**193,142**	**195,035**	**194,767**	**194,933**	**195,104**	**195,275**	**195,453**	**195,626**	**195,791**	**195,933**
2 Labor force[1]	126,867	128,548	129,525	129,559[r]	129,533[r]	129,573[r]	129,816[r]	129,590	130,055	130,132	130,359
3 Civilian labor force	125,303	126,982	128,040	128,075[r]	128,056[r]	128,102[r]	128,334[r]	128,108	128,580	128,662	128,898
Employment											
4 Nonagricultural industries[2]	114,644	114,391	116,232	116,106[r]	116,156[r]	116,327[r]	116,687[r]	116,475	116,920	117,218	117,565
5 Agriculture	3,233	3,207	3,074	3,074[r]	3,031[r]	3,043[r]	3,005[r]	3,093	3,021	3,114	3,096
Unemployment											
6 Number	8,426	9,384	8,734	8,895[r]	8,869[r]	8,732[r]	8,642[r]	8,540	8,639	8,330	8,237
7 Rate (percent of civilian labor force)	6.7	7.4	6.8	6.9	6.9[r]	6.8	6.7	6.7	6.7	6.5	6.4
8 Not in labor force	64,462	64,594	65,510	65,208[r]	65,400[r]	65,531[r]	65,459[r]	65,863	65,571	65,659	65,574
ESTABLISHMENT SURVEY DATA											
9 **Nonagricultural payroll employment**[3]	**108,256**	**108,519**	**110,171**	**110,058**	**110,101**	**110,338**	**110,305**	**110,502**	**110,664**	**110,866**	**111,049**
10 Manufacturing	18,455	18,192	17,804	17,827	17,771	17,760	17,718	17,698	17,709	17,735	17,737
11 Mining	689	631	599	602	596	595	592	596	596	594	603
12 Contract construction	4,650	4,471	4,571	4,577	4,574	4,593	4,593	4,592	4,629	4,663	4,662
13 Transportation and public utilities	5,762	5,709	5,710	5,719	5,711	5,709	5,690	5,692	5,693	5,703	5,716
14 Trade	25,365	25,391	25,849	25,827	25,861	25,916	25,902	25,953	25,968	25,961	26,003
15 Finance	6,646	6,571	6,606	6,588	6,590	6,604	6,602	6,616	6,632	6,654	6,668
16 Service	28,336	29,053	30,190	30,099	30,175	30,320	30,381	30,433	30,534	30,651	30,719
17 Government	18,402	18,653	18,842	18,819	18,823	18,841	18,827	18,922	18,903	18,905	18,941

1. Persons sixteen years of age and older, including Resident Armed Forces. Monthly figures are based on sample data collected during the calendar week that contains the twelfth day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures.
2. Includes self-employed, unpaid family, and domestic service workers.
3. Includes all full- and part-time employees who worked during, or received pay for, the pay period that includes the twelfth day of the month; excludes proprietors, self-employed persons, household and unpaid family workers, and members of the armed forces. Data are adjusted to the March 1984 benchmark, and only seasonally adjusted data are available at this time.

SOURCE. Based on data from U.S. Department of Labor, *Employment and Earnings*.

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION[1]

Seasonally adjusted

Series	Output (1987=100) 1993 Q1	Q2	Q3[r]	Q4	Capacity (percent of 1987 output) 1993 Q1	Q2	Q3	Q4	Capacity utilization rate (percent)[2] 1993 Q1	Q2	Q3[r]	Q4
1 **Total industry**	**109.7**	**110.4**	**111.1**	**113.1**	**134.8**	**135.3**	**135.9**	**136.4**	**81.4**	**81.6**	**81.8**	**82.9**
2 Manufacturing	110.4	111.3	111.9	114.3	137.2	137.8	138.5	139.1	80.5	80.8	80.8	82.2
3 Primary processing[3]	106.4	107.2	107.7	109.2	126.8	127.1	127.4	127.7	83.9	84.3	84.5	85.5
4 Advanced processing[4]	112.3	113.2	113.9	116.7	142.1	142.9	143.7	144.5	79.0	79.2	79.3	80.8
5 Durable goods	113.6	114.8	116.0	120.0	143.4	144.1	144.9	145.6	79.2	79.7	80.1	82.4
6 Lumber and products	99.7	97.3	99.9	104.2	112.6	112.7	112.9	113.0	88.5	86.3	88.5	92.3
7 Primary metals	105.0	104.8	105.8	107.1	124.9	124.9	124.9	124.9	84.1	83.9	84.7	85.7
8 Iron and steel	109.1	109.1	111.7	112.7	129.8	130.0	130.1	130.3	84.1	84.0	85.8	86.5
9 Nonferrous	99.3	98.8	97.7	99.3	118.1	117.9	117.7	117.5	84.1	83.8	83.1	84.5
10 Nonelectrical machinery	137.1	144.2	150.2	156.2	163.7	165.5	167.3	169.1	83.8	87.1	89.8	92.4
11 Electrical machinery	127.1	129.6	133.7	137.3	154.1	155.7	157.3	158.9	82.5	83.2	85.0	86.4
12 Motor vehicles and parts	120.6	117.6	111.7	131.7	155.8	156.8	157.7	158.7	77.4	75.0	70.8	83.0
13 Aerospace and miscellaneous transportation equipment	95.7	93.2	91.3	88.9	135.7	135.5	135.4	135.2	70.5	68.8	67.4	65.8
14 Nondurable goods	106.5	107.0	106.9	107.3	129.6	130.1	130.6	131.1	82.2	82.3	81.9	81.8
15 Textile mill products	106.2	106.1	106.8	106.6	116.9	117.1	117.3	117.5	90.8	90.6	91.0	90.7
16 Paper and products	110.0	113.1	112.1	112.8	122.5	122.9	123.3	123.7	89.8	92.0	90.9	91.2
17 Chemicals and products	116.9	118.3	118.8	119.2	144.4	145.4	146.3	147.3	80.9	81.4	81.2	80.9
18 Plastics materials	111.7	113.1	111.9	...	129.5	130.5	131.5	...	86.2	86.7	85.1	...
19 Petroleum products	104.2	103.9	103.1	107.7	115.9	115.7	115.4	115.2	89.9	89.8	89.3	93.5
20 Mining	96.5	97.2	96.5	97.8	111.7	111.5	111.3	111.1	86.3	87.2	86.7	88.1
21 Utilities	116.0	113.8	116.7	115.5	132.2	132.5	132.9	133.2	87.8	85.9	87.8	86.7
22 Electric	115.2	114.7	117.4	114.8	129.0	129.4	129.9	130.3	89.3	88.6	90.4	88.1

Capacity utilization rate (percent)[2]

Series	1973 High	1975 Low	Previous cycle[2] High	Previous cycle[2] Low	Latest cycle[3] High	Latest cycle[3] Low	1992 Dec.	1993 July	1993 Aug.	1993 Sept.[r]	1993 Oct.[r]	1993 Nov.[r]	1993 Dec.[p]
1 **Total industry**	**99.0**	**82.7**	**87.3**	**71.8**	**84.8**	**78.3**	**81.0**	**81.7**	**81.7[r]**	**81.9**	**82.3**	**83.0**	**83.5**
2 Manufacturing	99.0	82.7	87.3	70.0	85.1	76.6	79.8	80.7	80.8[r]	81.0	81.5	82.3	82.7
3 Primary processing[3]	99.0	82.7	89.7	66.8	89.1	77.9	82.9	84.5	84.8[r]	84.4	84.8	85.7	86.0
4 Advanced processing[4]	99.0	82.7	86.3	71.4	83.3	76.1	78.6	79.2	79.2[r]	79.6	80.1	80.9	81.4
5 Durable goods	99.0	82.7	86.9	65.0	83.9	73.8	78.2	79.8	79.9[r]	80.6	81.4	82.5	83.4
6 Lumber and products	99.0	82.7	87.6	60.9	93.3	76.8	87.1	87.8	88.6[r]	89.2	92.0	92.2	92.5
7 Primary metals	99.0	82.7	102.4	46.8	92.9	74.3	82.0	84.3	85.0[r]	84.8	84.1	85.7	87.3
8 Iron and steel	99.0	82.7	110.4	38.3	95.7	72.3	82.7	86.0	86.1[r]	85.3	86.3	85.3	87.9
9 Nonferrous	99.0	82.7	90.5	62.2	88.9	75.9	80.9	81.8	83.3[r]	84.1	80.7	86.4	86.5
10 Nonelectrical machinery	99.0	82.7	92.1	64.9	83.7	73.0	82.3	89.1	89.6[r]	90.6	91.2	92.4	93.6
11 Electrical machinery	99.0	82.7	89.4	71.1	84.9	76.8	81.6	84.4	84.8[r]	85.7	85.9	86.3	87.0
12 Motor vehicles and parts	99.0	82.7	93.0	44.5	84.5	57.9	74.9	70.0	69.7[r]	72.8	78.4	83.4	87.3
13 Aerospace and miscellaneous transportation equipment	99.0	82.7	81.1	66.9	88.3	78.1	71.5	67.9	67.5[r]	66.9	66.2	65.8	65.3
14 Nondurable goods	99.0	82.7	87.0	76.9	86.8	80.4	82.0	82.0	82.1[r]	81.5	81.7	82.0	81.8
15 Textile mill products	99.0	82.7	91.7	73.8	92.1	78.7	90.8	91.8	91.5[r]	89.8	90.7	90.5	90.8
16 Paper and products	99.0	82.7	94.2	82.0	94.9	86.0	88.6	90.9	91.7[r]	90.1	90.5	92.0	91.1
17 Chemicals and products	99.0	82.7	85.1	70.1	85.9	78.5	81.2	81.3	81.4[r]	80.8	80.4	81.2	81.3
18 Plastics materials	99.0	82.7	90.9	63.4	97.0	75.5	80.5	85.0	85.6	84.7	84.5	...	...
19 Petroleum products	99.0	82.7	89.5	68.2	88.5	84.2	89.1	88.7	88.7	90.4	93.6	93.9	93.0
20 Mining	99.0	82.7	96.6	80.6	87.0	86.8	87.8	86.5	85.8	87.8	88.4	87.7	88.2
21 Utilities	99.0	82.7	88.3	76.2	92.6	83.4	88.5	88.1	88.6[r]	86.7	86.1	86.6	87.5
22 Electric	99.0	82.7	88.3	78.7	94.8	87.4	90.4	91.1	91.5	88.5	87.2	88.1	89.0

1. Data in this table also appear in the Board's G.17 (419) monthly statistical release. For ordering address, see inside front cover. For a detailed description of the series, see "Recent Developments in Industrial Capacity and Utilization," *Federal Reserve Bulletin*, vol. 76 (June 1990), pp. 411–35. See also "Industrial Production Capacity and Capacity Utilization Since 1987," *Federal Reserve Bulletin*, vol. 79, (June 1993), pp. 590–605.
2. Capacity utilization is calculated as the ratio of the Federal Reserve's seasonally adjusted index of industrial production to the corresponding index of capacity.
3. Primary processing includes textiles; lumber; paper; industrial chemicals; petroleum refining; rubber and plastics; stone, clay, and glass; and primary and fabricated metals.
4. Advanced processing includes food, tobacco, apparel, furniture, printing, chemical products such as drugs and toiletries, leather and products, machinery, transportation equipment, instruments, miscellaneous manufacturing, and ordnance.
5. Monthly highs, 1978 through 1980; monthly lows, 1982.
6. Monthly highs, 1988–89; monthly lows, 1990–91.

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]

Monthly data seasonally adjusted

Group	1987 proportion	1993 avg.	1992 Dec.	1993 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.[r]	Sept.[r]	Oct.[r]	Nov.[r]	Dec.[p]
			Index (1987 = 100)												
MAJOR MARKETS															
1 **Total index**	**100.0**	**111.0**	**108.9**	**109.3**	**109.9**	**110.1**	**110.4**	**110.2**	**110.5**	**110.8**	**111.0**	**111.4**	**112.1**	**113.2**	**114.0**
2 Products	60.8	110.2	108.2	108.5	109.2	109.5	109.6	109.3	109.4	110.0	110.3	110.5	111.4	112.4	113.0
3 Final products	46.0	113.5	111.5	111.9	112.4	112.7	112.8	112.5	112.7	113.2	113.5	113.8	114.8	115.9	116.6
4 Consumer goods, total	26.0	108.1	107.5	107.6	108.5	108.6	108.1	107.3	107.3	107.7	107.8	107.4	108.6	109.6	109.8
5 Durable consumer goods	5.6	111.3	107.9	110.9	111.3	111.5	112.2	110.8	107.9	108.6	107.9	109.3	113.4	117.0	118.6
6 Automotive products	2.5	110.6	108.7	112.7	111.9	111.2	112.1	109.7	105.3	103.3	103.0	105.6	112.9	119.5	123.4
7 Autos and trucks	1.5	112.2	111.7	116.8	114.6	113.4	114.3	110.1	105.0	100.3	99.2	104.1	114.9	124.9	131.5
8 Autos, consumer	.9	86.1	86.9	86.6	90.2	90.5	90.2	86.5	83.5	78.2	71.8	75.4	85.2	95.4	98.8
9 Trucks, consumer	.6	157.3	154.6	169.1	156.9	153.1	155.9	150.9	142.3	138.6	146.7	153.9	166.4	176.0	188.0
10 Auto parts and allied goods	1.0	108.0	103.8	105.8	107.4	107.5	108.5	109.1	105.8	108.4	109.3	108.1	109.5	110.4	109.9
11 Other	3.1	111.9	107.2	109.3	110.7	111.7	112.3	111.8	110.2	113.2	112.2	112.5	113.8	114.9	114.4
12 Appliances, A/C, and TV	.8	122.9	110.5	116.0	117.6	125.0	124.3	121.1	116.1	127.3	123.8	125.9	129.6	131.9	128.5
13 Carpeting and furniture	.9	107.8	105.4	105.5	106.7	104.5	106.2	108.9	109.1	109.9	108.3	107.3	109.0	108.6	109.4
14 Miscellaneous home goods	1.4	108.3	106.6	108.0	109.5	108.9	109.6	108.4	107.6	107.4	108.1	108.2	108.0	109.3	109.6
15 Nondurable consumer goods	20.4	107.2	107.4	106.7	107.7	107.7	106.9	106.3	107.2	107.4	107.8	106.9	107.3	107.4	107.2
16 Foods and tobacco	9.1	104.5	104.8	104.6	105.5	104.3	103.9	104.3	104.7	104.9	105.5	104.2	104.8	104.5	104.4
17 Clothing	2.6	93.7	96.0	95.7	95.0	94.6	94.9	94.2	94.6	93.6	93.3	92.6	92.6	92.9	92.5
18 Chemical products	3.5	123.3	121.7	122.4	121.1	123.7	123.1	122.6	123.0	124.0	123.8	124.0	123.0	124.2	124.3
19 Paper products	2.5	100.9	100.9	100.2	101.8	102.1	101.7	101.8	102.6	101.3	100.8	100.8	101.3	100.6	99.4
20 Energy	2.7	114.0	114.4	109.5	115.5	116.0	111.5	107.4	110.4	112.9	114.7	112.9	114.6	115.4	115.7
21 Fuels	.7	108.3	106.1	106.5	108.9	107.1	106.6	106.5	105.8	105.0	104.0	108.2	113.1	114.6	112.0
22 Residential utilities	2.0	116.2	117.5	110.7	118.0	119.5	113.4	107.7	112.2	116.0	118.9	114.7	115.1	115.7	117.1
23 Equipment	20.0	121.2	117.2	118.1	118.0	118.7	119.7	119.9	120.4	121.2	121.6	122.9	123.8	125.2	126.6
24 Business equipment	13.9	137.0	129.6	131.2	131.7	133.4	134.8	135.4	136.1	137.1	137.6	139.4	140.8	142.9	144.9
25 Information processing and related	5.6	156.2	143.2	144.4	146.1	149.1	150.6	153.5	155.7	158.2	158.8	161.5	162.3	164.9	168.2
26 Office and computing	1.9	223.6	186.4	192.0	198.0	203.3	209.5	216.5	221.0	226.5	232.0	237.1	241.8	247.9	255.0
27 Industrial	4.0	115.8	112.3	113.1	112.2	113.7	115.0	115.0	115.6	117.2	117.3	117.8	117.6	118.5	119.5
28 Transit	2.5	141.2	144.1	146.7	146.5	145.0	145.0	142.5	138.0	133.2	132.5	135.3	141.3	145.7	147.7
29 Autos and trucks	1.2	134.5	131.4	136.7	136.8	135.8	136.2	133.1	127.2	118.9	119.6	126.5	139.6	150.5	154.9
30 Other	1.9	119.1	109.2	112.6	113.4	114.9	117.5	116.2	117.6	119.6	121.9	123.1	124.5	125.0	125.5
31 Defense and space equipment	5.4	78.7	82.5	82.0	81.5	80.7	80.5	79.5	78.6	78.6	78.0	77.5	76.9	76.6	76.1
32 Oil and gas well drilling	.6	82.5	91.2	89.0	77.9	71.1	72.4	75.1	82.4	81.0	87.8	90.5	88.9	85.7	85.0
33 Manufactured homes	.2	...	128.6	129.4	127.1	116.2	114.9	112.1	113.6	118.5	116.2	120.6	127.7	138.4	...
34 Intermediate products, total	14.7	100.1	98.3	98.2	99.3	99.6	100.0	99.7	99.4	100.4	100.6	100.4	101.0	101.8	101.9
35 Construction supplies	6.0	98.1	94.5	94.8	97.5	96.4	96.4	97.7	96.8	98.4	98.7	99.3	99.9	100.7	101.3
36 Business supplies	8.7	101.5	100.8	100.5	100.5	101.8	102.5	101.0	101.1	101.7	101.8	101.2	101.6	102.5	102.2
37 Materials	39.2	112.2	110.0	110.4	110.9	110.9	111.5	111.6	112.1	112.0	112.2	112.7	113.2	114.3	115.5
38 Durable goods materials	19.4	116.0	111.9	113.3	114.2	114.1	114.9	114.8	114.9	115.4	115.8	117.2	118.2	119.7	121.7
39 Durable consumer parts	4.2	112.7	107.5	110.8	111.8	112.2	112.6	111.6	110.2	109.8	110.3	112.0	114.2	118.6	123.6
40 Equipment parts	7.3	125.1	119.7	120.4	121.0	121.3	122.7	123.5	124.1	124.9	126.2	128.0	129.2	129.6	131.5
41 Other	7.9	109.9	107.5	108.6	109.7	108.9	109.5	109.2	109.4	110.2	109.7	110.6	110.8	111.9	112.8
42 Basic metal materials	2.8	111.4	108.8	110.4	113.2	109.9	110.3	111.1	111.3	111.3	109.7	110.8	112.2	112.8	114.3
43 Nondurable goods materials	9.0	114.0	111.5	112.4	112.1	112.8	113.8	114.1	114.8	114.2	115.2	113.8	114.4	115.5	115.3
44 Textile materials	1.2	104.0	102.9	104.2	103.2	104.2	102.7	104.3	104.9	105.9	105.6	102.9	103.9	104.1	104.2
45 Pulp and paper materials	1.9	113.3	110.7	110.7	111.9	112.8	115.3	114.1	115.9	113.4	113.5	112.6	112.1	114.2	113.1
46 Chemical materials	3.8	117.5	114.6	114.9	114.6	115.6	116.1	117.2	118.6	117.3	119.5	117.9	118.0	119.1	119.8
47 Other	2.1	113.8	111.3	114.1	112.5	112.6	114.2	113.6	112.3	114.0	114.2	113.3	115.8	116.7	115.6
48 Energy materials	10.9	103.5	105.1	103.4	103.8	103.5	103.4	103.4	104.6	103.7	102.8	103.3	102.9	103.0	103.9
49 Primary energy	7.2	98.8	101.3	100.4	98.3	97.4	99.9	101.6	100.9	98.2	96.7	98.7	97.9	97.6	98.5
50 Converted fuel materials	3.7	112.6	112.4	109.1	114.6	115.4	110.3	106.8	111.7	114.5	114.9	112.4	112.7	113.8	114.4
SPECIAL AGGREGATES															
51 Total excluding autos and trucks	97.3	110.7	108.6	108.9	109.5	109.7	110.1	110.0	110.4	110.9	111.1	111.3	111.8	112.6	113.2
52 Total excluding motor vehicles and parts	95.3	110.5	108.6	108.7	109.3	109.6	109.9	109.8	110.3	110.9	111.1	111.2	111.5	112.2	112.7
53 Total excluding office and computing machines	97.5	108.3	107.1	107.3	107.8	107.8	108.0	107.7	107.8	108.1	108.1	108.4	109.0	110.0	110.6
54 Consumer goods excluding autos and trucks	24.5	107.8	107.3	107.0	108.1	108.2	107.6	107.1	107.5	108.2	108.4	107.7	108.2	108.5	108.2
55 Consumer goods excluding energy	23.3	107.5	106.8	107.4	107.7	107.7	107.6	107.3	107.0	107.1	107.0	106.8	108.0	108.9	109.1
56 Business equipment excluding autos and trucks	12.7	137.2	129.5	130.7	131.3	133.2	134.6	135.6	136.8	138.7	139.1	140.6	140.9	142.2	144.1
57 Business equipment excluding office and computing equipment	12.0	122.4	120.1	121.0	120.6	121.6	122.2	121.8	121.8	122.1	121.7	123.0	123.8	125.2	126.4
58 Materials excluding energy	28.4	115.4	111.8	113.0	113.6	113.7	114.6	114.6	114.9	115.1	115.6	116.1	117.0	118.4	119.8

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]—Continued

Group	SIC code[2]	1987 proportion	1993 avg.	1992 Dec.	1993 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.[r]	Sept.[r]	Oct.[r]	Nov.[r]	Dec.[p]
				Index (1987 = 100)												
MAJOR INDUSTRIES																
59 **Total index**	...	**100.0**	**111.0**	**108.9**	**109.3**	**109.9**	**110.1**	**110.4**	**110.2**	**110.5**	**110.8**	**111.0**	**111.4**	**112.1**	**113.2**	**114.0**
60 Manufacturing	...	84.3	111.9	109.2	109.9	110.5	110.8	111.4	111.3	111.3	111.6	111.9	112.3	113.2	114.5	115.3
61 Primary processing	...	27.1	107.5	105.0	105.8	106.9	106.4	107.1	107.1	107.5	107.6	108.0	107.6	108.2	109.5	109.9
62 Advanced processing	...	57.1	113.9	111.3	111.9	112.2	112.9	113.4	113.3	113.0	113.5	113.7	114.5	115.6	116.8	117.8
63 Durable goods	...	46.5	115.9	111.8	112.9	113.8	114.1	115.0	114.9	114.6	115.4	115.7	117.0	118.3	120.1	121.7
64 Lumber and products	24	2.1	100.0	98.0	99.3	101.8	98.0	98.1	97.4	96.5	99.1	99.9	100.7	104.0	104.2	104.6
65 Furniture and fixtures	25	1.5	109.4	103.9	105.2	106.0	107.3	108.8	108.4	109.5	111.1	111.1	111.3	111.4	111.5	110.9
66 Clay, glass, and stone products	32	2.4	100.5	98.0	97.0	98.9	98.6	99.8	99.6	100.5	100.8	100.9	102.4	101.4	102.9	103.0
67 Primary metals	33	3.3	105.5	102.4	102.8	108.0	104.2	104.4	104.2	105.7	105.3	106.2	106.0	105.0	107.1	109.1
68 Iron and steel	331,2	1.9	110.5	107.4	107.0	112.9	107.6	108.4	108.1	110.9	111.9	112.1	111.1	112.4	111.1	114.6
69 Raw steel	...	.1	...	104.6	103.4	105.9	102.0	102.6	105.1	106.8	108.2	106.2	105.3	106.7	106.8	...
70 Nonferrous	333–6,9	1.4	98.6	95.7	97.1	101.4	99.4	98.9	98.9	98.5	96.3	98.0	98.9	94.9	101.6	101.6
71 Fabricated metal products	34	5.4	100.9	97.8	99.8	99.7	100.3	101.4	100.6	100.1	101.2	101.0	100.9	101.6	102.7	103.3
72 Industrial and commercial machinery and computer equipment	35	8.5	146.8	133.8	135.0	136.7	139.6	142.8	144.2	145.4	148.5	149.9	152.1	153.7	156.2	158.8
73 Office and computing machines	357	2.3	223.6	186.4	192.0	198.0	203.3	209.5	216.5	221.0	226.5	232.0	237.1	241.8	247.9	255.0
74 Electrical machinery	36	6.9	131.7	124.8	125.8	127.1	128.5	129.0	129.7	130.1	132.3	133.5	135.2	136.0	137.2	138.7
75 Transportation equipment	37	9.9	105.6	106.3	108.4	107.8	106.9	106.9	105.5	102.6	100.8	100.4	102.4	106.3	110.0	112.7
76 Motor vehicles and parts	371	4.8	120.1	116.2	120.9	120.7	120.1	120.4	118.1	114.3	110.1	110.0	115.0	124.1	132.3	138.8
77 Autos and light trucks	...	2.2	114.9	114.4	118.2	117.8	116.9	117.5	113.1	108.2	102.8	104.0	104.8	116.3	127.3	133.5
78 Aerospace and miscellaneous transportation equipment	372–6,9	5.1	92.0	97.1	96.7	95.8	94.6	94.2	93.7	91.8	92.0	91.3	90.5	89.5	89.0	88.2
79 Instruments	38	5.1	102.2	103.3	103.0	102.2	103.3	102.6	102.5	102.5	102.8	101.3	102.0	101.7	101.5	102.1
80 Miscellaneous	39	1.3	113.1	111.8	110.9	111.9	112.6	114.3	113.1	112.1	112.3	112.5	114.3	113.7	114.3	115.1
81 Nondurable goods	...	37.8	106.8	106.0	106.4	106.4	106.6	106.9	106.9	107.2	107.0	107.3	106.5	107.0	107.6	107.4
82 Foods	20	8.8	106.9	106.2	105.9	106.9	106.7	106.7	106.7	107.1	107.2	107.8	107.3	107.8	107.2	107.0
83 Tobacco products	21	1.0	91.1	96.1	100.5	99.3	92.4	90.2	92.1	89.1	91.5	92.7	85.8	88.2	89.1	88.7
84 Textile mill products	22	1.8	106.3	106.0	106.9	106.2	105.4	104.2	106.9	107.1	107.7	107.4	105.4	106.6	106.3	106.8
85 Apparel products	23	2.3	90.8	92.7	93.1	92.5	92.1	92.0	91.2	91.1	90.7	90.6	89.6	89.4	90.0	89.7
86 Paper and products	26	3.6	112.0	108.3	108.6	110.4	111.1	113.1	112.1	114.2	112.0	113.1	111.2	111.8	113.8	112.8
87 Printing and publishing	27	6.5	94.1	94.7	94.7	94.0	94.7	95.6	94.7	94.5	93.8	93.4	93.8	94.3	94.4	93.3
88 Chemicals and products	28	8.8	118.3	116.7	116.8	116.2	117.6	117.8	118.1	119.1	118.7	119.1	118.5	118.1	119.6	120.0
89 Petroleum products	29	1.3	104.8	103.4	103.2	104.7	104.7	104.3	103.6	103.9	102.5	102.4	104.3	107.9	108.2	107.1
90 Rubber and plastic products	30	3.2	113.7	111.3	113.6	112.7	112.9	113.6	113.8	112.8	114.7	114.8	113.9	113.9	115.4	116.4
91 Leather and products	31	.3	98.1	96.7	97.1	99.0	99.1	100.1	98.2	97.0	96.8	97.0	98.2	99.1	99.3	99.4
92 Mining	...	8.0	97.0	98.2	98.3	95.9	95.3	96.4	97.3	98.0	96.4	95.5	97.7	98.2	97.4	97.9
93 Metal	10	.3	165.5	158.1	167.7	163.0	158.2	162.5	169.3	164.4	167.7	148.2	161.5	178.5	172.0	172.8
94 Coal	11,12	1.2	103.6	107.9	108.2	101.7	102.3	108.2	106.4	106.7	101.0	95.9	103.9	104.7	100.7	104.0
95 Oil and gas extraction	13	5.8	92.0	93.4	92.7	90.9	90.4	90.5	91.6	93.1	91.6	92.4	93.0	92.7	92.6	92.6
96 Stone and earth minerals	14	.7	93.9	92.6	93.8	95.2	93.4	92.3	94.0	91.7	93.2	94.7	95.0	94.3	95.9	94.5
97 Utilities	...	7.7	116.0	116.8	112.8	117.5	117.8	114.4	112.1	114.9	116.9	117.7	115.3	114.6	115.4	116.6
98 Electric	491,3PT	6.1	115.7	116.4	112.9	116.5	116.3	114.5	114.0	115.6	118.1	118.9	115.1	113.6	114.8	116.1
99 Gas	492,3PT	1.6	116.9	118.2	112.4	121.4	123.3	113.9	104.9	112.2	112.4	113.3	116.0	118.2	117.8	118.6
SPECIAL AGGREGATES																
100 Manufacturing excluding motor vehicles and parts	...	79.5	111.4	108.8	109.3	109.8	110.2	110.8	110.9	111.1	111.7	112.0	112.1	112.6	113.4	113.8
101 Manufacturing excluding office and computing machines	...	81.9	108.7	107.0	107.6	108.0	108.1	108.6	108.3	108.1	108.3	108.5	108.7	109.5	110.7	111.3
				Gross value (billions of 1987 dollars, annual rates)												
MAJOR MARKETS																
102 **Products, total**	...	**1,707.0**	**1,890.0**	**1,857.5**	**1,864.9**	**1,880.2**	**1,880.3**	**1,882.8**	**1,872.6**	**1,873.2**	**1,877.4**	**1,879.3**	**1,887.2**	**1,914.3**	**1,938.2**	**1,947.2**
103 Final	...	1,314.6	1,492.5	1,466.8	1,476.4	1,485.7	1,484.3	1,485.6	1,477.9	1,477.5	1,479.0	1,480.5	1,489.1	1,513.4	1,534.3	1,542.1
104 Consumer goods	...	866.6	944.8	936.3	940.0	949.4	946.1	943.6	936.1	935.5	935.5	935.6	936.7	953.8	965.7	966.6
105 Equipment	...	448.0	547.6	530.5	536.5	536.3	538.2	541.9	541.8	541.9	543.4	544.9	552.4	559.6	568.7	575.5
106 Intermediate	...	392.5	397.6	390.7	388.4	394.5	396.0	397.3	394.7	395.7	398.4	398.8	398.1	401.0	403.9	405.1

1. Data in this table also appear in the Board's G.17 (419) monthly statistical release. For ordering address, see inside front cover.

A revision of the industrial production index and the capacity utilization rates was released in May 1993. See "Industrial Production, Capacity, and Capacity Utilization since 1987," *Federal Reserve Bulletin*, vol. 79 (June 1993), pp. 590–605.

2. Standard industrial classification.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates except as noted

Item	1990	1991	1992	1993 Feb.	Mar.	Apr.	May	June	July	Aug.[r]	Sept.[r]	Oct.	Nov.
				Private residential real estate activity (thousands of units except as noted)									
NEW UNITS													
1 Permits authorized	1,111	949	1,095	1,141	1,034	1,101	1,121	1,115	1,162	1,242	1,271	1,304	1,374
2 One-family	794	754	911	957	871	925	919	925	977	1,015	1,047	1,097	1,145
3 Two-or-more-family	317	195	184	184	163	176	202	190	185	227	224	207	229
4 Started	1,193	1,014	1,200	1,180	1,124	1,206	1,248	1,248	1,232	1,328	1,371	1,390	1,450
5 One-family	895	840	1,030	1,036	987	1,059	1,107	1,079	1,064	1,183	1,166	1,211	1,285
6 Two-or-more-family	298	174	169	144	137	147	141	169	168	145	205	179	165
7 Under construction at end of period[1]	711	606	612	641	635	637	645	649	658	662	678	687	700
8 One-family	449	434	473	508	502	506	515	517	527	534	543	553	565
9 Two-or-more-family	262	173	140	133	133	131	130	132	131	128	135	134	135
10 Completed	1,308	1,091	1,158	1,241	1,108	1,222	1,129	1,158	1,088	1,256	1,166	1,250	1,259
11 One-family	966	838	964	1,049	995	1,075	987	987	947	1,078	1,034	1,083	1,116
12 Two-or-more-family	342	253	194	192	113	147	142	171	141	178	132	167	143
13 Mobile homes shipped	188	171	210	262	247	241	230	237	241	245	251	261	285
Merchant builder activity in one-family units													
14 Number sold	535	507	610	597	602	689	629	641	647[r]	642	741	725	807
15 Number for sale at end of period[1]	321	284	265	268	270	271	274	274	276	286	289	294	301
Price of units sold (thousands of dollars)[2]													
16 Median	122.3	120.0	121.3	129.4	125.0	127.0	129.9	124.5	123.9[r]	126.6	129.4	124.9	130.0
17 Average	149.0	147.0	144.9	149.4	146.6	148.4	152.3	145.7	143.4[r]	150.6	150.4	147.9	153.4
EXISTING UNITS (one-family)													
18 Number sold	3,211	3,219	3,520	3,460	3,370	3,450	3,620	3,680	3,860	3,810	3,940	4,090	4,210
Price of units sold (thousands of dollars)[2]													
19 Median	95.2	99.7	103.6	103.6	105.1	105.8	106.5	109.3	108.5	109.0	107.2	106.6	107.2
20 Average	118.3	127.4	130.8	129.6	131.5	133.0	132.8	137.4	136.0	135.8	133.7	133.0	133.2
				Value of new construction (millions of dollars)[3]									
CONSTRUCTION													
21 Total put in place	**442,142**	**403,439**	**436,043**	**453,820**	**454,465**	**449,054**	**453,256**	**460,680**	**466,593[r]**	**468,547**	**477,125**	**488,921**	**497,681**
22 Private	334,681	293,536	317,256	334,801	336,972	328,150	332,231	335,028	337,909[r]	341,351	345,572	353,542	362,096
23 *Residential*	182,856	157,837	187,820	205,730	205,519	197,317	198,380	200,496	204,631[r]	206,594	209,520	214,796	221,779
24 Nonresidential	151,825	135,699	129,436	129,071	131,453	130,833	133,851	134,532	133,278[r]	134,757	136,052	138,746	140,317
25 Industrial buildings	23,849	22,281	20,720	20,484	22,152	19,458	20,091	19,316	19,799[r]	20,126	21,346	21,231	22,127
26 Commercial buildings	62,866	48,482	41,523	42,317	41,323	42,426	42,428	42,723	41,524[r]	42,342	42,225	44,383	44,819
27 Other buildings	21,591	20,797	21,494	21,564	21,484	22,568	23,293	23,849	23,817[r]	25,047	24,487	24,733	24,524
28 Public utilities and other	43,519	44,139	45,699	44,706	46,494	46,381	48,039	48,644	48,138[r]	47,242	47,994	48,399	48,847
29 Public	107,461	109,900	118,784	119,019	117,493	120,904	121,025	125,652	128,684[r]	127,196	131,553	135,380	135,584
30 Military	2,664	1,837	2,502	2,703	2,586	2,533	2,393	2,234	2,493[r]	2,583	2,492	2,510	2,291
31 Highway	32,108	32,026	34,929	33,009	33,413	34,534	34,320	37,649	37,376[r]	35,148	39,147	40,428	41,162
32 Conservation and development	4,557	4,861	5,918	6,688	7,112	5,875	6,019	6,103	5,661[r]	5,620	6,307	6,156	6,383
33 Other	68,132	71,176	75,435	76,619	74,382	77,962	78,293	79,666	83,154[r]	83,845	83,607	86,286	85,748

1. Not at annual rates.
2. Not seasonally adjusted.
3. Recent data on value of new construction may not be strictly comparable with data for previous periods because of changes by the Bureau of the Census in its estimating techniques. For a description of these changes, see *Construction Reports* (C-30-76-5), issued by the Census Bureau in July 1976.

SOURCE. Bureau of the Census estimates for all series except (1) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (2) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from the originating agency. Permit authorizations are those reported to the Census Bureau from 17,000 jurisdictions beginning in 1984.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (annual rate)				Change from 1 month earlier					Index level, Dec. 1993[1]
	1992 Dec.	1993 Dec.	1993				1993[1]					
			Mar.	June	Sept.	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.	
CONSUMER PRICES[2] (1982–84=100)												
1 **All items**	**2.9**	**2.7**	**4.0**	**2.2**	**1.4**	**3.4**	**.3**	**.0**	**.4**	**.2**	**.2**	**145.8**
2 Food	1.5	2.9	2.6	1.4	1.7	5.8	.3	.1	.6	.4	.5	142.7
3 Energy items	2.0	-1.4	3.1	-3.8	-3.4	-1.9	-.5	-.4	1.9	-1.3	-1.1	102.4
4 All items less food and energy	3.3	3.2	4.3	2.9	1.9	3.4	.3	.1	.3	.3	.3	153.9
5 Commodities	2.5	1.6	4.6	.6	-.3	1.5	.3	-.4	.3	.2	-.1	135.7
6 Services	3.7	3.9	4.4	4.1	2.7	4.2	.3	.2	.3	.3	.4	164.3
PRODUCER PRICES (1982=100)												
7 Finished goods	1.6	.2	4.3	.0	-1.9	-1.3	-.6	.2	-.2	.0	-.1	124.1
8 Consumer foods	1.6	2.4	-1.6	1.6	4.2	5.8	.5	.7	-.5	.8	1.1	127.2
9 Consumer energy	-.3	-3.8	16.6	-3.0	-7.4	-18.2	-1.0[r]	.0	1.3	-2.7	-3.5	73.5
10 Other consumer goods	2.1	-.6	3.2	.6	-5.9	.3	-1.8[r]	.1[r]	-.5	.3	.3	137.8
11 Capital equipment	1.7	1.9	4.4	.3	2.2	.6	.2	.0	-.4	.2	.3	132.7
Intermediate materials												
12 Excluding foods and feeds	1.1	.6	5.7	.3	-.3	-2.4	.0	.1	-.1	-.3	-.3	115.8
13 Excluding energy	1.2	1.6	4.7	.0	.6	1.3	.2	.0	.0	.1	.2	124.4
Crude materials												
14 Foods	3.0	6.6	1.9	-1.9	12.6	15.1	1.7[r]	.2[r]	-1.5	3.8	1.3	111.5
15 Energy	2.3	-13.7	-10.1	17.5	-26.5	-28.4	-1.9[r]	1.8[r]	4.9	-3.8	-8.9	68.9
16 Other	5.7	11.6	24.3	11.5	-8.5	21.8	-2.2[r]	-.6[r]	.9	1.7	2.4	144.8

1. Not seasonally adjusted.
2. Figures for consumer prices are for all urban consumers and reflect a rental-equivalence measure of homeownership.

SOURCE. U.S. Department of Labor, Bureau of Labor Statistics.

2.16 GROSS DOMESTIC PRODUCT AND INCOME

Billions of current dollars except as noted; quarterly data at seasonally adjusted annual rates

Account	1990	1991	1992	1992		1993		
				Q3	Q4	Q1	Q2	Q3[r]
GROSS DOMESTIC PRODUCT								
1 **Total**	**5,546.1**	**5,722.9**	**6,038.5**	**6,059.5**	**6,194.4**	**6,261.6**	**6,327.6**	**6,395.9**
By source								
2 Personal consumption expenditures	3,761.2	3,906.4	4,139.9	4,157.1	4,256.2	4,296.2	4,359.9	4,419.1
3 Durable goods	468.2	457.8	497.3	500.9	516.6	515.3	531.6	541.9
4 Nondurable goods	1,229.2	1,257.9	1,300.9	1,305.7	1,331.7	1,335.3	1,344.8	1,352.4
5 Services	2,063.8	2,190.7	2,341.6	2,350.5	2,407.9	2,445.5	2,483.4	2,524.8
6 Gross private domestic investment	808.9	736.9	796.5	802.2	833.3	874.1	874.1	884.0
7 Fixed investment	802.0	745.5	789.1	792.5	821.3	839.5	861.0	876.3
8 Nonresidential	586.7	555.9	565.5	569.2	579.5	594.7	619.1	624.9
9 Structures	201.6	182.6	172.6	170.8	171.1	172.4	177.6	179.1
10 Producers' durable equipment	385.1	373.3	392.9	398.4	408.3	422.2	441.6	445.8
11 Residential structures	215.3	189.6	223.6	223.3	241.8	244.9	241.9	251.3
12 Change in business inventories	6.9	−8.6	7.3	9.7	12.0	34.6	13.1	7.7
13 Nonfarm	3.8	−8.6	2.3	4.4	9.5	33.0	16.8	22.6
14 Net exports of goods and services	−71.4	−19.6	−29.6	−38.8	−38.8	−48.3	−65.1	−71.9
15 Exports	557.1	601.5	640.5	641.1	654.7	651.3	660.0	653.2
16 Imports	628.5	621.1	670.1	679.9	693.5	699.6	725.0	725.1
17 Government purchases of goods and services	1,047.4	1,099.3	1,131.8	1,139.1	1,143.8	1,139.7	1,158.6	1,164.8
18 Federal	426.5	445.9	448.8	452.8	452.4	442.7	447.5	443.6
19 State and local	620.9	653.4	683.0	686.2	691.4	697.0	711.1	721.2
By major type of product								
20 Final sales, total	5,539.3	5,731.6	6,031.2	6,049.9	6,182.5	6,227.1	6,314.5	6,388.2
21 Goods	2,178.4	2,227.0	2,305.5	2,308.6	2,365.6	2,362.9	2,395.0	2,401.7
22 Durable	933.6	934.3	975.8	978.4	1,008.3	1,003.5	1,037.8	1,032.9
23 Nondurable	1,244.8	1,292.8	1,329.6	1,330.2	1,357.3	1,359.3	1,357.1	1,368.8
24 Services	2,849.5	3,032.7	3,221.1	3,239.3	3,296.1	3,341.8	3,388.1	3,437.8
25 Structures	511.5	471.9	504.7	501.9	520.8	522.4	531.5	548.7
26 Change in business inventories	6.9	−8.6	7.3	9.7	12.0	34.6	13.1	7.7
27 Durable goods	−2.1	−12.9	2.1	5.7	−1.2	15.0	2.7	14.8
28 Nondurable goods	9.0	4.3	5.3	4.0	13.2	19.5	10.4	−7.2
MEMO								
29 **Total GDP in 1987 dollars**	**4,897.3**	**4,861.4**	**4,986.3**	**4,998.2**	**5,068.3**	**5,078.2**	**5,102.1**	**5,138.3**
NATIONAL INCOME								
30 **Total**	**4,491.0**	**4,598.3**	**4,836.6**	**4,800.8**	**4,975.8**	**5,038.9**	**5,104.0**	**5,143.2**
31 Compensation of employees	3,297.6	3,402.4	3,582.0	3,603.6	3,658.6	3,705.1	3,750.6	3,793.9
32 Wages and salaries	2,745.0	2,814.9	2,953.1	2,970.7	3,015.8	3,054.3	3,082.7	3,115.4
33 Government and government enterprises	516.0	545.3	567.5	569.7	574.2	584.1	586.3	592.8
34 Other	2,229.0	2,269.6	2,385.6	2,401.0	2,441.6	2,470.2	2,496.3	2,522.6
35 Supplement to wages and salaries	552.5	587.5	629.0	632.9	642.8	650.7	668.0	678.5
36 Employer contributions for social insurance	278.3	290.6	306.3	306.9	311.3	312.2	321.4	323.8
37 Other labor income	274.3	296.9	322.7	326.0	331.5	338.5	346.6	354.7
38 Proprietors' income[1]	363.3	376.4	414.3	408.1	431.2	444.1	439.4	422.5
39 Business and professional[1]	321.4	339.5	370.6	371.3	383.6	388.4	392.4	397.6
40 Farm[1]	41.9	36.8	43.7	36.8	47.6	55.7	47.0	24.8
41 Rental income of persons[2]	−14.2	−12.8	−8.9	−18.5	−1.2	7.5	12.7	13.7
42 Corporate profits[1]	380.6	369.5	407.2	367.5	439.5	432.1	458.1	468.5
43 Profits before tax[3]	365.7	362.3	395.4	357.9	409.9	419.8	445.6	443.8
44 Inventory valuation adjustment	−11.0	4.9	−5.3	−7.8	4.9	−12.7	−12.2	1.0
45 Capital consumption adjustment	25.9	2.2	17.1	17.4	24.7	25.1	24.7	23.8
46 Net interest	463.7	462.8	442.0	440.1	447.7	450.1	443.2	444.6

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.
3. For after-tax profits, dividends, and the like, see table 1.48.

SOURCE. U.S. Department of Commerce, *Survey of Current Business*.

2.17 PERSONAL INCOME AND SAVING

Billions of current dollars except as noted; quarterly data at seasonally adjusted annual rates

Account	1990	1991	1992	1992		1993		
				Q3	Q4	Q1	Q2	Q3[r]
PERSONAL INCOME AND SAVING								
1 **Total personal income**	**4,673.8**	**4,850.9**	**5,144.9**	**5,139.8**	**5,328.3**	**5,254.7**	**5,373.2**	**5,412.7**
2 Wage and salary disbursements	2,745.0	2,815.0	2,973.1	2,970.7	3,095.8	2,974.3	3,082.7	3,115.4
3 Commodity-producing industries	745.7	738.1	756.5	751.6	783.3	740.7	765.1	769.4
4 Manufacturing	555.6	557.2	577.6	573.3	602.0	559.7	580.3	581.5
5 Distributive industries	635.1	648.0	682.0	682.5	709.9	682.9	709.1	714.4
6 Service industries	848.3	883.5	967.0	966.8	1,028.4	966.6	1,022.2	1,038.8
7 Government and government enterprises	515.9	545.4	567.5	569.7	574.2	584.1	586.3	592.8
8 Other labor income	274.3	296.9	322.7	326.0	331.5	338.5	346.6	354.7
9 Proprietors' income[1]	363.3	376.4	414.3	408.1	431.2	444.1	439.4	422.5
10 Business and professional[1]	321.4	339.5	370.6	371.3	383.6	388.4	392.4	397.6
11 Farm[1]	41.9	36.8	43.7	36.8	47.6	55.7	47.0	24.8
12 Rental income of persons[2]	−14.2	−12.8	−8.9	−18.5	−1.2	7.5	12.7	13.7
13 Dividends	144.4	127.9	140.4	144.9	152.3	157.0	157.8	159.0
14 Personal interest income	698.2	715.6	694.3	692.2	694.5	695.4	693.1	695.7
15 Transfer payments	687.6	769.9	858.4	866.1	877.4	894.4	905.5	918.5
16 Old-age survivors, disability, and health insurance benefits	352.0	382.3	413.9	416.6	420.8	433.1	435.0	439.4
17 LESS: Personal contributions for social insurance	224.9	237.8	249.3	249.8	253.3	256.6	264.5	266.8
18 EQUALS: Personal income	4,673.8	4,850.9	5,144.9	5,139.8	5,328.3	5,254.7	5,373.2	5,412.7
19 LESS: Personal tax and nontax payments	623.3	620.4	644.8	642.8	670.7	657.1	681.0	689.0
20 EQUALS: Disposable personal income	4,050.5	4,230.5	4,500.2	4,497.0	4,657.6	4,597.5	4,692.2	4,723.7
21 LESS: Personal outlays	3,880.6	4,029.0	4,261.5	4,277.3	4,377.9	4,419.7	4,483.6	4,544.0
22 EQUALS: Personal saving	170.0	201.5	238.7	219.6	279.7	177.9	208.7	179.7
MEMO								
Per capita (1987 dollars)								
23 Gross domestic product	19,593.0	19,237.9	19,518.0	19,536.7	19,754.1	19,744.4	19,785.4	19,868.8
24 Personal consumption expenditures	13,093.0	12,895.2	13,080.9	13,097.8	13,240.9	13,234.2	13,311.6	13,416.2
25 Disposable personal income	14,101.0	13,965.0	14,219.0	14,169.0	14,490.0	14,163.0	14,326.0	14,341.0
26 Saving rate (percent)	4.2	4.8	5.3	4.9	6.0	3.9	4.4	3.8
GROSS SAVING								
27 **Gross saving**	**722.7**	**733.7**	**717.8**	**727.0**	**718.8**	**762.0**	**766.7**	**774.3**
28 Gross private saving	861.1	929.9	986.9	1,016.5	969.4	1,024.8	988.3	988.7
29 Personal saving	170.0	201.5	238.7	219.6	279.7	177.9	208.7	179.7
30 Undistributed corporate profits[1]	88.5	102.3	110.4	82.3	121.7	103.7	116.3	129.3
31 Corporate inventory valuation adjustment	−11.0	4.9	−5.3	−7.8	4.9	−12.7	−12.2	1.0
Capital consumption allowances								
32 Corporate	368.2	383.2	396.6	410.3	396.5	402.2	405.2	414.0
33 Noncorporate	234.5	242.8	261.3	304.3	251.5	261.0	258.1	265.7
34 Government surplus, or deficit (−), national income and product accounts	−138.4	−196.2	−269.1	−289.5	−250.6	−262.8	−221.5	−214.4
35 Federal	−163.5	−203.4	−276.3	−290.7	−264.2	−263.5	−222.6	−212.7
36 State and local	25.1	7.3	7.2	1.2	13.5	.8	1.1	−1.7
37 **Gross investment**	**730.4**	**743.3**	**741.4**	**742.7**	**750.9**	**796.5**	**778.7**	**787.6**
38 Gross private domestic	808.9	736.9	796.5	802.2	833.3	874.1	874.1	884.0
39 Net foreign	−78.5	6.4	−55.1	−59.4	−82.4	−77.6	−95.4	−96.4
40 **Statistical discrepancy**	**7.8**	**9.6**	**23.6**	**15.7**	**32.1**	**34.4**	**12.0**	**13.3**

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.

SOURCE. U.S. Department of Commerce, *Survey of Current Business*.

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted except as noted[1]

Item credits or debits	1990	1991	1992	1992		1993		
				Q3	Q4	Q1	Q2[r]	Q3[p]
1 Balance on current account	−91,861	−8,324	−66,400	−17,775	−23,687	−22,308	−27,172	−27,986
2 Merchandise trade balance[2]	−109,033	−73,802	−96,138	−27,612	−25,962	−29,309	−34,384	−36,279
3 Merchandise exports	389,303	416,937	440,138	109,493	113,992	111,530	113,118	111,912
4 Merchandise imports	−498,336	−490,739	−536,276	−137,105	−139,954	−140,839	−147,502	−148,191
5 Military transactions, net	−7,834	−5,851	−2,751	−617	−836	−145	−226	−341
6 Other service transactions, net	38,485	51,733	59,163	15,898	14,265	14,769	14,685	14,448
7 Investment income, net	20,348	13,021	6,222	1,703	−806	−37	47	1,748
8 U.S. government grants	−17,434	24,073	−14,688	−2,783	−5,883	−3,242	−2,730	−2,970
9 U.S. government pensions and other transfers	−2,934	−3,461	−3,735	−940	−846	−978	−979	−976
10 Private remittances and other transfers	−13,459	−14,037	−14,473	−3,424	−3,619	−3,366	−3,585	−3,616
11 Change in U.S. government assets other than official reserve assets, net (increase, −)	2,307	2,905	−1,609	−305	−737	535	−275	−86
12 Change in U.S. official reserve assets (increase, −)	−2,158	5,763	3,901	1,952	1,542	−983	822	−545
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	−192	−177	2,316	−173	2,829	−140	−166	−118
15 Reserve position in International Monetary Fund	731	−367	−2,692	−118	−2,685	−228	313	−48
16 Foreign currencies	−2,697	6,307	4,277	2,243	1,398	−615	675	−378
17 Change in U.S. private assets abroad (increase, −)	−44,280	−68,643	−53,253	−12,445	−31,243	−11,910	−29,888	−43,331
18 Bank-reported claims[3]	16,027	3,278	24,948	6,584	−3,481	28,055	5,317	7,547
19 Nonbank-reported claims	−4,433	1,932	4,551	−3,214	1,132	−4,774	443	...
20 U.S. purchases of foreign securities, net	−28,765	−44,740	−47,961	−13,787	−17,405	−26,889	−24,098	−45,290
21 U.S. direct investments abroad, net	−27,109	−29,113	−34,791	−2,028	−11,489	−8,302	−11,550	−5,588
22 Change in foreign official assets in United States (increase, +)	34,198	17,564	40,684	−7,378	5,931	10,929	17,699	19,646
23 U.S. Treasury securities	29,576	14,846	18,454	−323	−7,379	1,039	5,668	18,808
24 Other U.S. government obligations	667	1,301	3,949	912	874	710	1,082	1,545
25 Other U.S. government liabilities[4]	2,156	1,542	2,542	864	943	−395	396	1,322
26 Other U.S. liabilities reported by U.S. banks[3]	3,385	−1,484	16,427	−7,831	11,219	8,171	9,454	−2,213
27 Other foreign official assets[5]	−1,586	1,359	−688	−1,000	274	1,404	1,099	184
28 Change in foreign private assets in United States (increase, +)	70,976	65,875	88,895	33,828	32,914	14,789	24,681	46,806
29 U.S. bank-reported liabilities[3]	16,370	−11,371	18,609	23,647	−1,171	−18,862	−1,381	23,525
30 U.S. nonbank-reported liabilities	7,533	−699	741	1,553	−2,717	2,057	1,361	...
31 Foreign private purchases of U.S. Treasury securities, net	−2,534	18,826	36,893	4,870	21,232	13,599	−623	3,995
32 Foreign purchases of other U.S. securities, net	1,592	35,144	30,274	2,730	12,478	9,394	15,025	17,411
33 Foreign direct investments in United States, net	48,015	23,975	2,378	1,028	3,092	8,601	10,299	1,875
34 Allocation of special drawing rights	0	0	0	0	0	0	0	0
35 Discrepancy	30,820	−15,140	−12,218	2,123	15,280	8,948	14,133	5,495
36 Due to seasonal adjustment	...	...	...	−6,754	1,222	5,814	681	−7,605
37 Before seasonal adjustment	30,820	−15,140	−12,218	8,877	14,058	3,134	13,452	13,100
MEMO *Changes in official assets*								
38 U.S. official reserve assets (increase, −)	−2,158	5,763	3,901	1,952	1,542	−983	822	−544
39 Foreign official assets in United States, excluding line 25 (increase, +)	32,042	16,022	38,142	−8,242	4,988	11,324	17,303	18,324
40 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	1,707	−4,882	5,857	3,051	2,336	463	−916	−3,043

1. Seasonal factors are not calculated for lines 12–16, 18–20, 22–34, and 38–40.
2. Data are on an international accounts basis. The data differ from the Census basis data, shown in table 3.11, for reasons of coverage and timing. Military exports are excluded from merchandise trade data and are included in line 5.
3. Reporting banks include all types of depository institution as well as some brokers and dealers.
4. Associated primarily with military sales contracts and other transactions arranged with or through foreign official agencies.
5. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

SOURCE. U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*.

3.11 U.S. FOREIGN TRADE[1]

Millions of dollars; monthly data seasonally adjusted

Item	1990	1991	1992	1993						
				May	June	July	Aug.	Sept.[r]	Oct.[r]	Nov.[p]
1 Exports of domestic and foreign merchandise, excluding grant-aid shipments	393,592	421,730	448,164	38,930	37,639	37,109	38,050	38,885	40,092	40,067
2 General imports including merchandise for immediate consumption plus entries into bonded warehouses	495,311	488,453	532,665	47,306	49,698	47,534	48,097	49,506	50,990	50,235
3 **Trade balance**	**−101,718**	**−66,723**	**−84,501**	**−8,376**	**−12,058**	**−10,425**	**−10,047**	**−10,621**	**−10,897**	**−10,169**

1. Government and nongovernment shipments of merchandise between foreign countries and the fifty states, including the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and U.S. Foreign Trade Zones. Data exclude (1) shipments among the United States, Puerto Rico, the U.S. Virgin Islands, and other U.S. affiliated insular areas, (2) shipments to U.S. Armed Forces and diplomatic missions abroad for their own use, (3) U.S. goods returned to the United States by its Armed Forces, (4) personal and household effects of travelers, and (5) in-transit shipments. Data reflect the total arrival of merchandise from foreign countries that immediately entered consumption channels, warehouses, or U.S. Foreign Trade Zones (general imports). Import data are Customs value; export data are F.A.S. value. Since 1990, data for U.S. exports to Canada have been derived from import data compiled by Canada; similarly, in Canadian statistics, Canadian exports to the United States are derived from import data compiled by the United States. Since Jan. 1, 1987, merchandise trade data have been released *forty-five days after the end of the month; the previous month is revised to reflect* late documents.

Data in this table differ from figures for merchandise trade shown in the U.S. balance of payments accounts (table 3.10, lines 2 through 4) primarily for reasons of coverage. For both exports and imports, a large part of the difference is the treatment of military sales and purchases. The military sales to foreigners (exports) and purchases from foreigners (imports) that are included in this table as merchandise trade are shifted, in the balance of payments accounts, from "merchandise trade" into the broader category "military transactions."

SOURCE. (U.S. Department of Commerce, Bureau of the Census), FT900, *U.S. Merchandise Trade.*

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Asset	1990	1991	1992	1993						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.[p]
1 **Total**	**83,316**	**77,719**	**71,323**	**73,968**	**74,139**	**75,231**	**75,835**	**74,550**	**74,042**	**73,442**
2 Gold stock, including Exchange Stabilization Fund[1]	11,058	11,057	11,056	11,057	11,057	11,057	11,057	11,056	11,054	11,053
3 Special drawing rights[2,3]	10,989	11,240	8,503	8,987	8,905	9,133	9,203	9,038	9,091	9,039
4 Reserve position in International Monetary Fund[2]	9,076	9,488	11,759	11,926	12,083	12,118	12,101	11,908	11,827	11,818
5 Foreign currencies[4]	52,193	45,934	40,005	41,998	42,094	42,923	43,474	42,548	42,070	41,532

1. Gold held "under earmark" at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.13, line 3. Gold stock is valued at $42.22 per fine troy ounce.
2. Special drawing rights (SDRs) are valued according to a technique adopted by the International Monetary Fund (IMF) in July 1974. Values are based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, sixteen currencies were used; since January 1981, five currencies have been used. U.S. SDR holdings and reserve positions in the IMF also have been valued on this basis since July 1974.
3. Includes allocations of SDRs by the International Monetary Fund on Jan. 1 of the year indicated, as follows: 1970—$867 million; 1971—$717 million; 1972—$710 million; 1979—$1,139 million; 1980—$1,152 million; 1981—$1,093 million; plus net transactions in SDRs.
4. Valued at current market exchange rates.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS[1]

Millions of dollars, end of period

Asset	1990	1991	1992	1993						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.[p]
1 Deposits	369	968	205	286	284	357	501	390	596	386
Held in custody										
2 U.S. Treasury securities[2]	278,499	281,107	314,481	343,672	343,378	356,671	358,860	358,975	373,864	379,394
3 Earmarked gold[3]	13,387	13,303	13,686	12,829	12,756	12,686	12,562	12,464	12,381	12,327

1. Excludes deposits and U.S. Treasury securities held for international and regional organizations.
2. Marketable U.S. Treasury bills, notes, and bonds and nonmarketable U.S. Treasury securities payable at face value in dollars or foreign currencies.
3. Held in foreign and international accounts and valued at $42.22 per fine troy ounce; not included in the gold stock of the United States.

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data[1]

Millions of dollars, end of period

Account	1990	1991	1992	1993						
				May	June	July	Aug.	Sept.	Oct.	Nov.
ASSETS	All foreign countries									
1 **Total payable in any currency**	**556,925**	**548,999**	**542,761[r]**	**549,030[r]**	**562,740[r]**	**551,551[r]**	**560,689[r]**	**557,901[r]**	**562,192**	**562,891**
2 Claims on United States	188,496	176,487	166,799[r]	162,356[r]	176,026[r]	163,793	166,817	168,704[r]	164,023	165,016
3 Parent bank	148,837	137,695	132,276[r]	127,127[r]	141,025[r]	127,474	130,865	137,556[r]	127,347	127,148
4 Other banks in United States	13,296	12,884	9,703	9,169	9,498	8,993	9,457	6,862	7,739	7,647
5 Nonbanks	26,363	25,908	24,820	26,060	25,503	27,326	26,495	24,286	28,937	30,221
6 Claims on foreigners	312,449	303,934	318,284[r]	321,201[r]	316,681[r]	317,198[r]	326,098[r]	319,850[r]	327,336	325,066
7 Other branches of parent bank	135,003	111,729	123,469[r]	111,445[r]	111,851[r]	105,299[r]	108,216[r]	109,637[r]	107,155	105,449
8 Banks	72,602	81,970	82,190	88,193[r]	85,977[r]	88,653[r]	90,013[r]	85,066[r]	92,262	89,778
9 Public borrowers	17,555	18,652	20,756	18,251	18,183	17,687	18,364	17,797	17,881	19,855
10 Nonbank foreigners	87,289	91,583	91,869	103,312	100,670	105,559	109,505	107,350[r]	110,038	109,984
11 Other assets	55,980	68,578	57,678[r]	65,473	70,033[r]	70,560	67,774	69,347[r]	70,833	72,809
12 **Total payable in U.S. dollars**	**379,479**	**364,078**	**365,941[r]**	**344,992[r]**	**355,361[r]**	**341,060[r]**	**338,957[r]**	**349,335[r]**	**342,145**	**339,140**
13 Claims on United States	180,174	169,848	162,126[r]	156,419[r]	169,503[r]	155,387	157,538	161,438[r]	154,083	153,892
14 Parent bank	142,962	133,662	129,330[r]	123,958[r]	137,712[r]	124,072	127,028	133,841[r]	124,064	123,370
15 Other banks in United States	12,513	12,025	9,266	8,209	8,638	8,270	8,475	6,322	7,046	6,977
16 Nonbanks	24,699	24,161	23,530	24,252	23,153	23,045	22,035	21,275	22,973	23,545
17 Claims on foreigners	174,451	167,010	183,641[r]	170,540[r]	168,886[r]	167,295[r]	164,379[r]	169,243[r]	166,803	163,642
18 Other branches of parent bank	95,298	78,114	83,231[r]	73,128[r]	73,071[r]	70,400[r]	68,623[r]	71,161[r]	67,602	65,432
19 Banks	36,440	41,635	47,250	44,925[r]	43,679[r]	44,267[r]	42,383[r]	43,962[r]	44,722	43,602
20 Public borrowers	12,298	13,685	14,313	12,244	12,049	11,951	11,999	11,580	11,512	12,504
21 Nonbank foreigners	30,415	33,576	38,847	40,243	40,087	40,677	41,374	42,540[r]	42,967	42,104
22 Other assets	24,854	27,220	20,174[r]	18,033	16,972	18,378	17,040	18,654[r]	21,259	21,606
	United Kingdom									
23 **Total payable in any currency**	**184,818**	**175,599**	**165,850**	**165,044**	**173,158**	**167,046**	**172,710**	**173,057**	**173,948**	**175,316**
24 Claims on United States	45,560	35,257	36,403	31,239	37,038	34,032	35,491	34,053	32,641	35,377
25 Parent bank	42,413	31,931	33,460	27,523	33,059	29,184	30,612	30,776	26,562	27,944
26 Other banks in United States	792	1,267	1,298	747	1,006	808	877	631	1,010	804
27 Nonbanks	2,355	2,059	1,645	2,969	2,973	4,040	4,002	2,646	5,069	6,629
28 Claims on foreigners	115,536	109,692	111,623	111,830	109,528	107,799	114,150	115,203	118,207	112,705
29 Other branches of parent bank	46,367	35,735	46,165	41,458	40,130	37,164	39,778	40,613	40,545	36,971
30 Banks	31,604	36,394	33,399	37,282	36,848	38,543	40,332	40,277	44,704	42,454
31 Public borrowers	3,860	3,306	3,329	2,420	2,342	2,341	2,606	2,171	2,147	2,984
32 Nonbank foreigners	33,705	34,257	28,730	30,670	30,208	29,751	31,434	32,142	30,811	30,296
33 Other assets	23,722	30,650	17,824	21,975	26,592	25,215	23,069	23,801	23,100	27,234
34 **Total payable in U.S. dollars**	**116,762**	**105,974**	**109,493**	**97,431**	**100,422**	**96,200**	**93,739**	**97,841**	**94,820**	**94,227**
35 Claims on United States	41,259	32,418	34,508	28,634	34,110	30,573	31,753	31,160	27,731	30,092
36 Parent bank	39,609	30,370	32,186	25,996	31,265	27,580	28,938	29,130	24,756	26,046
37 Other banks in United States	334	822	1,022	326	533	300	308	328	430	365
38 Nonbanks	1,316	1,226	1,300	2,312	2,312	2,693	2,507	1,702	2,545	3,681
39 Claims on foreigners	63,701	58,791	66,335	61,742	60,479	58,944	56,603	59,725	59,396	55,167
40 Other branches of parent bank	37,142	28,667	34,124	30,753	30,287	27,814	27,713	28,306	27,478	24,779
41 Banks	13,135	15,219	17,089	17,073	16,658	17,590	15,466	17,967	18,910	17,103
42 Public borrowers	3,143	2,853	2,349	1,808	1,804	1,744	1,832	1,614	1,613	2,446
43 Nonbank foreigners	10,281	12,052	12,773	12,108	11,730	11,796	11,592	11,838	11,395	10,839
44 Other assets	11,802	14,765	8,650	7,055	5,833	6,683	5,383	6,956	7,693	8,968
	Bahamas and Cayman Islands									
45 **Total payable in any currency**	**162,316**	**168,512**	**147,422**	**142,872**	**148,982**	**140,580**	**140,172**	**147,385**	**146,834**	**144,327**
46 Claims on United States	112,989	115,430	96,280	94,894	102,109	93,736	93,661	98,873	98,100	96,389
47 Parent bank	77,873	81,706	66,608	66,170	74,023	66,363	67,055	74,040	72,185	70,682
48 Other banks in United States	11,869	10,907	7,828	7,184	7,651	7,477	7,360	5,489	5,710	5,993
49 Nonbanks	23,247	22,817	21,844	21,540	20,435	19,896	19,246	19,344	20,205	19,714
50 Claims on foreigners	41,356	45,229	44,509	41,378	40,437	39,609	39,588	41,814	40,028	40,257
51 Other branches of parent bank	13,416	11,098	7,293	6,999	7,009	6,772	7,226	8,958	8,024	8,713
52 Banks	16,310	20,174	21,212	18,527	18,117	17,688	16,863	17,090	16,228	15,999
53 Public borrowers	5,807	7,161	7,786	6,527	6,334	6,185	6,102	5,955	5,767	5,735
54 Nonbank foreigners	5,823	6,796	8,218	9,325	8,977	8,964	9,397	9,811	10,009	9,810
55 Other assets	7,971	7,853	6,633	6,600	6,436	7,235	6,923	6,698	8,706	7,681
56 **Total payable in U.S. dollars**	**158,390**	**163,957**	**142,861**	**138,202**	**143,900**	**136,025**	**135,698**	**142,831**	**142,273**	**140,010**

1. Since June 1984, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches from $50 million to $150 million equivalent in total assets, the threshold now applicable to all reporting branches.

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data[1]—Continued

Account	1990	1991	1992	1993 May	1993 June	1993 July	1993 Aug.	1993 Sept.	1993 Oct.	1993 Nov.
LIABILITIES	All foreign countries									
57 **Total payable in any currency**	**556,925**	**548,999**	**542,761[r]**	**549,030[r]**	**562,740[r]**	**551,551[r]**	**560,689[r]**	**557,901[r]**	**562,192**	**562,891**
58 Negotiable certificates of deposit (CDs)	18,060	16,284	10,032	14,348	14,154	14,568	14,604	12,666	12,166	11,935
59 To United States	189,412	198,307	189,445[r]	175,443[r]	186,374	174,089	172,074	180,514[r]	173,532	173,492
60 Parent bank	138,748	136,431	134,340[r]	117,208[r]	129,486	120,953	118,724	122,088[r]	114,945	114,811
61 Other banks in United States	7,463	13,260	12,182	14,062	13,514	10,440	9,561	11,662	10,699	11,568
62 Nonbanks	43,201	48,616	42,923	44,173	43,374	42,696	43,789	46,764	47,888	47,113
63 To foreigners	311,668	288,254	309,917[r]	322,276[r]	319,105[r]	319,673[r]	333,165[r]	323,533[r]	335,078	333,230
64 Other branches of parent bank	139,113	112,033	125,189[r]	115,206[r]	115,743[r]	108,954[r]	113,582[r]	111,717[r]	109,288	108,696
65 Banks	58,986	63,097	62,268[r]	69,332[r]	67,258[r]	71,509[r]	73,682[r]	69,691[r]	78,882	75,163
66 Official institutions	14,791	15,596	19,731	22,271	22,466	23,147	23,049	22,698	24,712	26,020
67 Nonbank foreigners	98,778	97,528	102,729[r]	115,467[r]	113,638[r]	116,063[r]	122,852[r]	119,427[r]	122,196	123,351
68 Other liabilities	37,785	46,154	33,367[r]	36,963	43,107[r]	43,221	40,846	41,188[r]	41,416	44,234
69 **Total payable in U.S. dollars**	**383,522**	**370,710**	**368,869[r]**	**344,370[r]**	**357,179[r]**	**342,393[r]**	**339,410[r]**	**347,530[r]**	**340,549**	**339,383**
70 Negotiable CDs	14,094	11,909	6,238	7,248	8,138	7,958	7,370	6,131	5,886	5,708
71 To United States	175,654	185,472	178,675[r]	162,329[r]	172,708	160,499	157,841	167,538[r]	160,049	160,469
72 Parent bank	130,510	129,669	127,949[r]	110,162[r]	121,922	113,313	110,881	114,436[r]	107,631	107,848
73 Other banks in United States	6,052	11,707	11,512	13,126	12,862	9,789	8,842	11,092	9,927	10,923
74 Nonbanks	39,092	44,096	39,214	39,041	37,924	37,397	38,118	42,010	42,491	41,698
75 To foreigners	179,002	158,993	172,284[r]	165,212[r]	166,193[r]	163,673[r]	165,121[r]	163,573[r]	162,435	159,341
76 Other branches of parent bank	98,128	76,601	83,714[r]	75,327[r]	75,798[r]	72,924[r]	72,504[r]	72,151[r]	68,934	66,909
77 Banks	20,251	24,156	26,159[r]	22,969	23,440	23,631	24,522	23,845[r]	24,252	24,034
78 Official institutions	7,921	10,304	12,430	12,653	12,951	12,868	12,031	10,720	11,416	11,210
79 Nonbank foreigners	52,702	47,932	49,981[r]	54,263[r]	54,004[r]	54,250[r]	56,064[r]	56,857[r]	57,833	57,188
80 Other liabilities	14,772	14,336	11,672	9,581	10,140	10,263	9,078	10,288[r]	12,179	13,865
	United Kingdom									
81 **Total payable in any currency**	**184,818**	**175,599**	**165,850**	**165,044**	**173,158**	**167,046**	**172,710**	**173,057**	**173,948**	**175,316**
82 Negotiable CDs	14,256	11,333	4,517	5,644	6,566	6,364	6,674	5,318	4,489	4,188
83 To United States	39,928	37,720	39,174	37,272	39,514	35,521	36,600	37,180	33,498	31,953
84 Parent bank	31,806	29,834	31,100	28,095	30,410	27,183	28,076	29,217	25,147	24,755
85 Other banks in United States	1,505	1,438	1,065	1,652	1,097	850	741	682	782	556
86 Nonbanks	6,617	6,448	7,009	7,525	8,007	7,488	7,783	7,281	7,569	6,642
87 To foreigners	108,531	98,167	107,176	106,834	106,725	105,949	112,121	112,534	118,837	117,926
88 Other branches of parent bank	36,709	30,054	35,983	31,437	32,275	28,408	30,534	31,578	31,921	34,236
89 Banks	25,126	25,541	25,231	27,184	25,848	28,504	29,039	28,064	32,055	30,120
90 Official institutions	8,361	9,670	12,090	11,752	12,139	11,885	11,575	12,425	13,269	13,104
91 Nonbank foreigners	38,335	32,902	33,872	36,461	36,463	37,152	40,973	40,467	41,592	40,466
92 Other liabilities	22,103	28,379	14,983	15,294	20,353	19,212	17,315	18,025	17,124	21,249
93 **Total payable in U.S. dollars**	**116,094**	**108,755**	**108,214**	**96,152**	**98,465**	**93,360**	**92,066**	**94,697**	**91,614**	**91,266**
94 Negotiable CDs	12,710	10,076	3,894	4,392	5,462	5,197	4,890	3,728	3,388	3,234
95 To United States	34,697	33,003	35,417	32,457	34,523	30,669	31,579	32,838	28,725	27,055
96 Parent bank	29,955	28,260	29,957	26,631	28,747	25,753	26,600	28,039	24,093	23,524
97 Other banks in United States	1,156	1,177	709	1,311	847	637	476	397	350	337
98 Nonbanks	3,586	3,566	4,751	4,515	4,929	4,279	4,503	4,402	4,282	3,194
99 To foreigners	60,014	56,626	62,048	54,576	53,282	52,336	51,256	52,608	54,211	53,230
100 Other branches of parent bank	25,957	20,800	22,026	17,449	17,691	16,198	16,063	16,859	16,108	18,487
101 Banks	9,488	11,069	12,540	9,065	8,305	8,347	7,666	8,877	9,967	7,831
102 Official institutions	4,692	7,156	8,847	8,210	8,812	8,720	8,042	7,195	7,399	7,238
103 Nonbank foreigners	19,877	17,601	18,635	19,852	18,474	19,071	19,485	19,677	20,737	19,674
104 Other liabilities	8,673	9,050	6,855	4,727	5,198	5,158	4,341	5,523	5,290	7,747
	Bahamas and Cayman Islands									
105 **Total payable in any currency**	**162,316**	**168,512**	**147,422**	**142,872**	**148,982**	**140,580**	**140,172**	**147,385**	**146,834**	**144,327**
106 Negotiable CDs	646	1,173	1,350	1,812	1,535	1,562	1,307	1,315	1,260	1,370
107 To United States	114,738	130,058	111,861	102,825	109,238	101,036	99,418	108,107	106,453	107,554
108 Parent bank	74,941	79,394	67,347	57,132	64,608	59,352	58,031	60,407	59,323	59,368
109 Other banks in United States	4,526	10,231	10,445	11,220	11,567	8,603	7,791	10,146	9,117	10,056
110 Nonbanks	35,271	40,433	34,069	34,473	33,063	33,081	33,596	37,554	38,013	38,130
111 To foreigners	44,444	35,200	32,556	36,220	36,621	35,973	37,808	36,449	35,291	32,347
112 Other branches of parent bank	24,715	17,388	15,169	18,652	18,944	18,164	19,103	18,609	17,451	14,131
113 Banks	5,588	5,662	6,422	6,159	6,417	6,996	7,766	6,347	6,272	6,356
114 Official institutions	622	572	805	1,064	1,031	902	836	881	770	953
115 Nonbank foreigners	13,519	11,578	10,160	10,345	10,229	9,911	10,103	10,612	10,798	10,907
116 Other liabilities	2,488	2,081	1,655	2,015	1,588	2,009	1,639	1,514	3,830	3,056
117 **Total payable in U.S. dollars**	**157,132**	**163,789**	**143,150**	**137,847**	**144,014**	**135,893**	**135,483**	**142,449**	**142,246**	**140,068**

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1991	1992	1993						
			May[r]	June[r]	July[r]	Aug.[r]	Sept.[r]	Oct.[r]	Nov.[p]
1 **Total[1]**	**360,530**	**398,816[r]**	**424,570**	**427,561**	**427,039**	**436,972**	**445,692**	**444,147**	**456,673**
By type									
2 Liabilities reported by banks in the United States[2]	38,396	54,967[r]	69,471	72,714	67,464	68,827	70,219	65,668	67,544
3 U.S. Treasury bills and certificates[3]	92,692	104,596	120,194	119,860	128,837	136,488	139,638	140,525	144,865
U.S. Treasury bonds and notes									
4 Marketable	203,677	210,553	201,878	201,118	196,441	197,165	200,346	202,005	208,152
5 Nonmarketable[4]	4,858	4,532	5,417	5,451	5,488	5,508	5,542	5,579	5,615
6 U.S. securities other than U.S. Treasury securities[5]	20,907	24,168	27,610	28,418	28,809	28,984	29,947	30,370	30,497
By area									
7 Europe[1]	171,317	191,708	193,690	193,401	188,981	191,890	198,254	193,676	208,370
8 Canada	7,460	7,920	8,899	8,297	8,808	8,075	8,260	9,441	8,657
9 Latin America and Caribbean	33,554	40,025[r]	48,195	48,548	53,805	55,343	54,703	54,275	50,349
10 Asia	139,465	152,276[r]	165,137	169,504	169,080	174,901	177,164	178,919	182,457
11 Africa	2,092	3,565	3,782	3,621	2,844	3,109	3,888	3,665	3,650
12 Other countries[6]	6,640	3,320	4,865	4,188	3,519	3,652	3,421	4,169	3,188

1. Includes the Bank for International Settlements.
2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.
3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.
4. Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies; zero coupon bonds are included at current value.
5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.
6. Includes countries in Oceania and Eastern Europe.

SOURCE. Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States and on the 1984 benchmark survey of foreign portfolio investment in the United States.

3.16 LIABILITIES TO, AND CLAIMS ON, FOREIGNERS Reported by Banks in the United States[1] Payable in Foreign Currencies

Millions of dollars, end of period

Item	1989	1990	1991	1992	1993		
				Dec.	Mar.	June	Sept.
1 Banks' liabilities	67,835	70,477	75,129	72,796	80,999	74,697	80,479
2 Banks' claims	65,127	66,796	73,195	62,789	64,057	55,161	58,884
3 Deposits	20,491	29,672	26,192	24,240	24,928	23,449	22,852
4 Other claims	44,636	37,124	47,003	38,549	39,129	31,712	36,032
5 Claims of banks' domestic customers[2]	3,507	6,309	3,398	4,432	2,625	3,234	2,640

1. Data on claims exclude foreign currencies held by U.S. monetary authorities.
2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of the domestic customers.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States[1]
Payable in U.S. dollars

Millions of dollars, end of period

Item	1990	1991	1992	1993 May[r]	1993 June[r]	1993 July[r]	1993 Aug.[r]	1993 Sept.[r]	1993 Oct.	1993 Nov.[p]
HOLDER AND TYPE OF LIABILITY										
1 **Total, all foreigners**	**759,634**	**756,066**	**810,259[r]**	**796,836**	**824,957**	**821,788**	**846,626**	**862,147**	**862,211**	**881,107**
2 Banks' own liabilities	577,229	575,374	606,444[r]	574,273	597,695	589,281	606,529	614,608	609,087	615,757
3 Demand deposits	21,723	20,321	21,828[r]	22,140	21,466	21,818	21,503	25,445	22,035	25,462
4 Time deposits[2]	168,017	159,649	160,385[r]	147,854	152,072	151,293	152,967	153,607	158,813	155,888
5 Other[3]	65,822	66,305	93,237[r]	103,993	107,462	106,962	116,406	113,063	129,577	128,996
6 Own foreign offices[4]	321,667	329,099	330,994[r]	300,286	316,695	309,208	315,653	322,493	298,662	305,411
7 Banks' custodial liabilities[5]	182,405	180,692	203,815	222,563	227,262	232,507	240,097	247,539	253,124	265,350
8 U.S. Treasury bills and certificates[6]	96,796	110,734	127,644	144,129	144,059	153,359	161,827	165,151	164,365	169,728
9 Other negotiable and readily transferable instruments[7]	17,578	18,664	21,974	24,515	30,056	26,477	27,643	30,879	37,858	38,552
10 Other	68,031	51,294	54,197	53,919	53,147	52,671	50,627	51,509	50,901	57,070
11 Nonmonetary international and regional organizations[8]	5,918	8,981	9,350	8,934	9,330	9,587	12,365	11,409	10,984	12,630
12 Banks' own liabilities	4,540	6,827	6,951	6,481	6,270	6,397	8,671	7,995	6,780	8,756
13 Demand deposits	36	43	46	35	19	29	37	72	71	34
14 Time deposits[2]	1,050	2,714	3,214	2,989	3,607	2,920	2,882	4,062	2,968	2,813
15 Other[3]	3,455	4,070	3,691	3,457	2,644	3,448	5,752	3,861	3,741	5,909
16 Banks' custodial liabilities[5]	1,378	2,154	2,399	2,453	3,060	3,190	3,694	3,414	4,204	3,874
17 U.S. Treasury bills and certificates[6]	364	1,730	1,908	1,883	2,320	2,635	3,418	3,199	3,566	3,201
18 Other negotiable and readily transferable instruments[7]	1,014	424	486	564	740	549	276	215	638	672
19 Other	0	0	5	6	0	6	0	0	0	1
20 Official institutions[9]	119,303	131,088	159,563[r]	189,665	192,574	196,301	205,315	209,857	206,193	212,409
21 Banks' own liabilities	34,910	34,411	51,202[r]	63,847	62,972	62,062	62,255	63,618	60,995	61,748
22 Demand deposits	1,924	2,626	1,302[r]	1,408	2,231	1,583	1,321	1,951	2,121	2,089
23 Time deposits[2]	14,359	16,504	17,939[r]	21,951	19,603	18,935	18,110	20,552	14,885	16,938
24 Other[3]	18,628	15,281	31,961	40,488	41,138	41,544	42,824	41,115	43,989	42,721
25 Banks' custodial liabilities[5]	84,393	96,677	108,361	125,818	129,602	134,239	143,060	146,239	145,198	150,661
26 U.S. Treasury bills and certificates[6]	79,424	92,692	104,596	120,194	119,860	128,837	136,488	139,638	140,525	144,865
27 Other negotiable and readily transferable instruments[7]	4,766	3,879	3,726	5,480	9,602	5,297	6,514	6,149	4,491	5,614
28 Other	203	106	39	144	140	105	58	452	182	182
29 Banks[10]	540,805	522,265	547,320[r]	507,174	529,179	521,266	531,961	544,176	538,374	550,384
30 Banks' own liabilities	458,470	459,335	476,117[r]	436,499	459,341	450,361	462,736	470,133	460,044	468,262
31 Unaffiliated foreign banks	136,802	130,236	145,123[r]	136,213	142,646	141,153	147,083	147,640	161,382	162,851
32 Demand deposits	10,053	8,648	10,170[r]	11,389	9,919	10,677	10,478	12,808	9,948	13,369
33 Time deposits[2]	88,541	82,857	90,296[r]	76,317	83,064	84,567	85,965	83,070	95,176	91,462
34 Other[3]	38,208	38,731	44,657[r]	48,507	49,663	45,909	50,640	51,762	56,258	58,020
35 Own foreign offices[4]	321,667	329,099	330,994[r]	300,286	316,695	309,208	315,653	322,493	298,662	305,411
36 Banks' custodial liabilities[5]	82,335	62,930	71,203	70,675	69,838	70,905	69,225	74,043	78,330	82,122
37 U.S. Treasury bills and certificates[6]	10,669	7,471	11,087	10,837	10,546	10,627	11,327	11,794	10,046	10,539
38 Other negotiable and readily transferable instruments[7]	5,341	5,694	7,555	7,397	7,741	9,049	8,760	12,688	19,402	17,121
39 Other	66,325	49,765	52,561	52,441	51,551	51,229	49,138	49,561	48,882	54,462
40 Other foreigners	93,608	93,732	94,026[r]	91,063	93,874	94,634	96,985	96,705	106,660	105,684
41 Banks' own liabilities	79,309	74,801	72,174[r]	67,446	69,112	70,461	72,867	72,862	81,268	76,991
42 Demand deposits	9,711	9,004	10,310[r]	9,308	9,297	9,529	9,667	10,614	9,895	9,970
43 Time deposits[2]	64,067	57,574	48,936[r]	46,597	45,798	44,871	46,010	45,923	45,784	44,675
44 Other[3]	5,530	8,223	12,928[r]	11,541	14,017	16,061	17,190	16,325	25,589	22,346
45 Banks' custodial liabilities[5]	14,299	18,931	21,852	23,617	24,762	24,173	24,118	23,843	25,392	28,693
46 U.S. Treasury bills and certificates[6]	6,339	8,841	10,053	11,215	11,333	11,260	10,594	10,520	10,228	11,123
47 Other negotiable and readily transferable instruments[7]	6,457	8,667	10,207	11,074	11,973	11,582	12,093	11,827	13,327	15,145
48 Other	1,503	1,423	1,592	1,328	1,456	1,331	1,431	1,496	1,837	2,425
MEMO										
49 Negotiable time certificates of deposit in custody for foreigners	7,073	7,456	9,111	9,582	10,388	9,389	9,481	11,264	17,533	17,089

1. Reporting banks include all types of depository institution, as well as some brokers and dealers.
2. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."
3. Includes borrowing under repurchase agreements.
4. For U.S. banks, includes amounts owed to own foreign branches and foreign subsidiaries consolidated in Consolidated Report of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts owed to head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.
5. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.
6. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.
7. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.
8. Principally the International Bank for Reconstruction and Development, the Inter-American Development Bank, and the Asian Development Bank. Excludes "holdings of dollars" of the International Monetary Fund.
9. Foreign central banks, foreign central governments, and the Bank for International Settlements.
10. Excludes central banks, which are included in "Official institutions."

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States[1]—Continued

Item	1990	1991	1992	1993 May	June	July	Aug.	Sept.	Oct.	Nov.[p]
AREA										
1 **Total, all foreigners**	**759,634**	**756,066**	**810,259[r]**	**796,836[r]**	**824,957[r]**	**821,788[r]**	**846,626[r]**	**862,147[r]**	**862,211**	**881,107**
2 **Foreign countries**	**753,716**	**747,085**	**800,909[r]**	**787,902[r]**	**815,627[r]**	**812,201[r]**	**834,261[r]**	**850,738[r]**	**851,227**	**868,477**
3 Europe	254,452	249,097	307,670[r]	313,386[r]	324,252[r]	321,005[r]	335,460[r]	340,374[r]	357,815	370,141
4 Austria	1,229	1,193	1,611	1,525	1,496	1,415	1,614	1,672[r]	1,808	1,820
5 Belgium and Luxembourg	12,382	13,337	20,567[r]	21,099	21,817	20,805	23,345	23,635[r]	24,641	27,548
6 Denmark	1,399	937	3,060	2,464	3,088	3,983	3,023	3,135	5,084	4,151
7 Finland	602	1,341	1,299	2,185	2,580	2,873	2,667[r]	2,347	2,712	2,250
8 France	30,946	31,808	41,411[r]	33,825	33,744	33,963	36,517[r]	40,622	43,034	36,643
9 Germany	7,485	8,619	18,630[r]	23,959	22,752	24,498	22,199	22,530	22,820	27,120
10 Greece	934	765	913	859	819	1,078	1,122	1,378	1,366	1,704
11 Italy	17,735	13,541	10,041	9,089	10,402	10,721	11,426	11,285[r]	10,431	10,915
12 Netherlands	5,350	7,161	7,365[r]	13,903	11,271	10,465	10,854	11,429	13,371	14,757
13 Norway	2,357	1,866	3,314[r]	2,690	2,840	2,757	2,833	2,901	2,796	3,199
14 Portugal	2,958	2,184	2,465	2,674	2,764	2,894	3,015	3,180	3,215	3,229
15 Russia	119	241	577	847	1,129	1,406	2,254	2,229	2,623	2,530
16 Spain	7,544	11,391	9,793[r]	13,605[r]	15,507[r]	16,644[r]	17,207[r]	20,495	20,181	19,719
17 Sweden	1,837	2,222	2,953[r]	2,140	2,336	2,210	1,460	3,474[r]	2,355	2,672
18 Switzerland	36,690	37,238	39,440	41,775	41,270	40,494	40,987	41,909[r]	43,195	42,930
19 Turkey	1,169	1,598	2,666	2,761	2,497	2,882	2,618	2,553	2,897	2,947
20 United Kingdom	109,555	100,292	111,805[r]	106,111[r]	115,251	113,171	118,793	116,205[r]	130,941	135,795
21 Yugoslavia[11]	928	622	504	510	512	501	511	524	541	546
22 Other Europe and former U.S.S.R.[12]	13,234	12,741	29,256	31,365[r]	32,177	28,245	33,015[r]	28,871[r]	23,804	29,666
23 Canada	20,349	21,605	22,420[r]	21,331	20,051	22,264	23,917	25,147[r]	27,591	24,205
24 Latin America and Caribbean	332,997	345,529	317,228[r]	307,476[r]	316,654[r]	315,885[r]	316,747[r]	326,346[r]	312,719	318,694
25 Argentina	7,365	7,753	9,477	11,339	11,289	14,120	14,579	14,051[r]	14,319	13,694
26 Bahamas	107,386	100,622	82,284[r]	80,356[r]	80,713[r]	73,414	73,790	77,896[r]	75,005	76,820
27 Bermuda	2,822	3,178	7,079	5,297	6,074	6,969	6,931	7,239[r]	8,021	7,287
28 Brazil	5,834	5,704	5,584	5,339	4,936	5,425	5,299	5,268[r]	5,057	5,069
29 British West Indies	147,321	163,620	153,033[r]	142,797[r]	151,695[r]	151,519[r]	149,897[r]	156,953[r]	146,040	154,986
30 Chile	3,145	3,283	3,035	3,520	3,552	3,934	3,596	3,867	3,952	3,455
31 Colombia	4,492	4,661	4,580	4,338	4,405	4,464	4,383	3,988	3,025	3,101
32 Cuba	11	2	3	2	3	5	5	6	7	7
33 Ecuador	1,379	1,232	993	956	924	889	860	819	868	851
34 Guatemala	1,541	1,594	1,377	1,323	1,397	1,304	1,315	1,278[r]	1,275	1,243
35 Jamaica	257	231	371	289	341	341	364	375	376	403
36 Mexico	16,650	19,957	19,454[r]	23,373[r]	22,318[r]	24,138[r]	24,833[r]	24,414[r]	24,249	21,946
37 Netherlands Antilles	7,357	5,592	5,205	3,813	4,059	4,159	5,413	4,695[r]	5,283	4,726
38 Panama	4,574	4,695	4,177	4,054	3,749	3,747	3,657	3,743	3,567	3,466
39 Peru	1,294	1,249	1,080	977	979	891	898	903	873	890
40 Uruguay	2,520	2,096	1,955	1,742	1,775	1,775	1,822	1,734	1,716	1,659
41 Venezuela	12,271	13,181	11,387	11,644	12,242	12,373	12,782	12,868	12,903	13,060
42 Other	6,779	6,879	6,154	6,317	6,203	6,418	6,323	6,249	6,183	6,031
43 Asia	136,844	120,462	143,540[r]	133,948[r]	143,166[r]	143,132[r]	147,517[r]	147,648[r]	141,363	144,475
China										
44 People's Republic of China	2,421	2,626	3,202	3,008	2,885	2,728	3,292	3,261	3,280	3,186
45 Republic of China (Taiwan)	11,246	11,491	8,408[r]	8,773[r]	9,548[r]	9,999[r]	9,483[r]	9,969	9,804	10,960
46 Hong Kong	12,754	14,269	18,499[r]	15,754[r]	15,890	16,193	15,621	16,388[r]	16,389	18,573
47 India	1,233	2,418	1,399[r]	1,343[r]	1,315	1,053	1,211	1,288	1,251	1,525
48 Indonesia	1,238	1,463	1,480	1,861	2,132	1,688	1,582	1,715	1,504	1,674
49 Israel	2,767	2,015	3,773[r]	3,163	2,764	2,790	2,729	3,241	5,450	4,582
50 Japan	67,076	47,069	58,435[r]	54,469[r]	62,791[r]	62,233[r]	67,999[r]	65,626[r]	60,171	58,866
51 Korea (South)	2,287	2,587	3,337	3,922	3,842	4,298	3,873	4,356[r]	3,889	4,409
52 Philippines	1,585	2,449	2,275	2,458	2,933	3,196	2,648	2,735	2,192	1,902
53 Thailand	1,443	2,252	5,582	5,377	5,233	5,830	6,058	5,846[r]	6,446	6,231
54 Middle Eastern oil-exporting countries[13]	15,829	15,752	21,437[r]	19,274[r]	20,327	18,409	19,141	17,255[r]	14,681	15,489
55 Other	16,965	16,071	15,713[r]	14,546	13,506	14,715	13,880	15,968[r]	16,306	17,078
56 Africa	4,630	4,825	5,884	6,415[r]	6,475	5,680	5,649	6,127	6,179	5,762
57 Egypt	1,425	1,621	2,472	2,922	2,784	1,880	2,018	2,457	2,220	2,089
58 Morocco	104	79	76	82[r]	119	138	78	86	87	110
59 South Africa	228	228	190	198	265	172	233	275	367	272
60 Zaire	53	31	19	16	15	25	20	16	15	10
61 Oil-exporting countries[14]	1,110	1,082	1,346	1,368	1,332	1,417	1,279	1,281	1,271	1,446
62 Other	1,710	1,784	1,781	1,829	1,960	2,048	2,021	2,012	2,219	1,835
63 Other	4,444	5,567	4,167[r]	5,346	5,029	4,235	4,971	5,096	5,560	5,200
64 Australia	3,807	4,464	3,043[r]	4,449	4,078	3,253	3,890	4,045	4,434	3,853
65 Other	637	1,103	1,124	897	951	982	1,081	1,051	1,126	1,347
66 Nonmonetary international and regional organizations	5,918	8,981	9,350	8,934	9,330	9,587[r]	12,365[r]	11,409[r]	10,984	12,630
67 International[15]	4,390	6,485	7,434	5,388	5,812	6,028[r]	8,367[r]	7,679[r]	7,340	8,759
68 Latin American regional[16]	1,048	1,181	1,415	2,412	2,318	2,077	2,737	2,448	2,539	3,050
69 Other regional[17]	479	1,315	501	1,134	1,200	1,482	1,261	1,282	1,105	821

11. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.
12. Includes the Bank for International Settlements and Eastern European countries not listed in line 23. Since December 1992, includes all parts of the former U.S.S.R. (except Russia), and Bosnia, Croatia, and Slovenia.
Comprises Bulgaria, Czechoslovakia, Hungary, Poland, and Romania.
13. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
14. Comprises Algeria, Gabon, Libya, and Nigeria.
15. Principally the International Bank for Reconstruction and Development. Excludes "holdings of dollars" of the International Monetary Fund.
16. Principally the Inter-American Development Bank.
17. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States[1] Payable in U.S. Dollars

Millions of dollars, end of period

	Area and country	1990	1991	1992	1993						
					May	June	July[r]	Aug.[r]	Sept.[r]	Oct.[r]	Nov.[p]
1	**Total, all foreigners**	**511,543**	**514,339**	**499,437[r]**	**461,208[r]**	**482,549[r]**	**472,877**	**461,191**	**477,233**	**465,927**	**470,690**
2	**Foreign countries**	**506,750**	**508,056**	**494,355[r]**	**459,526[r]**	**480,469[r]**	**471,570**	**459,239**	**474,854**	**464,684**	**468,489**
3	Europe	113,093	114,310	123,377[r]	118,196[r]	122,297	125,094	116,836	124,253	124,605	120,691
4	Austria	362	327	331	941	1,080	1,094	691	457	568	501
5	Belgium and Luxembourg	5,473	6,158	6,404	5,513	5,955	6,127	6,515	6,589	5,499	5,903
6	Denmark	497	686	707	628	721	835	693	631	1,056	1,261
7	Finland	1,047	1,907	1,418[r]	885	1,225	1,007	705	594	730	606
8	France	14,468	15,112	14,723[r]	11,629[r]	11,833	11,847	11,500	10,963	11,516	11,622
9	Germany	3,343	3,371	4,222[r]	6,089	6,236	7,746	6,766	7,994	7,569	6,960
10	Greece	727	553	717[r]	596	564	509	508	629	592	684
11	Italy	6,052	8,242	9,047[r]	8,218	9,250	8,153	8,839	8,985	8,055	8,415
12	Netherlands	1,761	2,546	2,468[r]	3,278	2,764	3,260	3,081	3,383	3,157	3,607
13	Norway	782	669	355[r]	676	789	876	941	841	779	598
14	Portugal	292	344	325	593	670	710	803	787	826	787
15	Russia	530	1,970	3,147	3,080	3,045	2,799	2,591	2,547	2,575	2,295
16	Spain	2,668	1,881	2,755[r]	3,441	3,607	5,117	4,184	3,652	4,746	4,387
17	Sweden	2,094	2,335	4,923[r]	4,229	4,062	5,131	4,278	4,619	4,111	3,531
18	Switzerland	4,202	4,540	4,717[r]	4,735	4,123	5,193	5,634	5,216	4,647	5,946
19	Turkey	1,405	1,063	962	1,508	1,584	1,492	1,549	1,418	1,638	1,790
20	United Kingdom	65,151	60,395	63,430[r]	59,671[r]	62,565	60,772	55,118	62,510	64,051	59,445
21	Yugoslavia[2]	1,142	825	569	550	548	547	547	542	535	549
22	Other Europe and former U.S.S.R.[3]	1,095	1,386	2,157[r]	1,936	1,676	1,879	1,893	1,896	1,955	1,804
23	Canada	16,091	15,113	13,845[r]	16,393	16,246[r]	17,776	17,373	19,009	15,756	15,575
24	Latin America and Caribbean	231,506	246,137	218,078[r]	197,083[r]	212,672[r]	208,294	207,554	215,634	212,008	216,688
25	Argentina	6,967	5,869	4,958	3,942	4,066	4,841	4,740	4,715	4,398	4,518
26	Bahamas	76,525	87,138	60,835[r]	56,198[r]	59,989[r]	56,843	56,276	60,906	60,350	63,242
27	Bermuda	4,056	2,270	5,935[r]	3,089	4,319	8,578	7,122	5,550	8,915	7,565
28	Brazil	17,995	11,894	10,773[r]	10,710	12,319	10,842	10,927	11,294	11,675	11,677
29	British West Indies	88,565	107,846	101,507[r]	89,865[r]	96,986[r]	91,246	93,116	97,409	90,041	92,621
30	Chile	3,271	2,805	3,397	3,718	3,675	3,898	3,796	3,832	3,857	3,728
31	Colombia	2,587	2,425	2,750	2,876	2,847	2,886	2,916	2,921	2,957	3,040
32	Cuba	0	0	0	0	1	0	0	0	0	0
33	Ecuador	1,387	1,053	884	770	771	732	739	701	707	704
34	Guatemala	191	228	262	256	266	240	256	244	269	286
35	Jamaica	238	158	162	165	184	182	181	183	175	186
36	Mexico	14,851	16,567	14,991[r]	14,989[r]	15,321[r]	15,738	15,652	15,724	16,124	16,041
37	Netherlands Antilles	7,998	1,207	1,379	2,354	3,011	3,172	3,153	3,155	3,339	3,100
38	Panama	1,471	1,560	4,654	2,440	2,549	2,532	2,361	2,370	2,491	2,625
39	Peru	663	739	730	675	657	651	667	617	636	620
40	Uruguay	786	599	936	778	904	807	816	926	926	968
41	Venezuela	2,571	2,516	2,525	2,542	2,803	3,001	2,876	2,835	2,815	3,004
42	Other	1,384	1,263	1,400	1,716	2,004[r]	2,105	1,960	2,252	2,333	2,763
43	Asia	138,722	125,262	131,789[r]	120,983	122,134	113,182	111,196	109,095	105,494	109,281
	China										
44	People's Republic of China	620	747	906	881	1,898	871	638	699	772	705
45	Republic of China (Taiwan)	1,952	2,087	2,046	1,561	1,840	1,549	1,585	1,594	1,674	1,847
46	Hong Kong	10,648	9,617	9,642[r]	10,420	9,804[r]	10,654	9,390	11,153	9,638	10,535
47	India	655	441	529	489	438	473	442	572	621	642
48	Indonesia	933	952	1,189	1,386	1,503	1,282	1,289	1,330	1,268	1,474
49	Israel	774	860	820	814	777	733	775	747	752	787
50	Japan	90,699	84,807	79,172[r]	71,908	71,327	62,726	64,890	60,263	60,307	61,781
51	Korea (South)	5,766	6,048	6,179[r]	7,152	7,428	7,587	7,245	7,098	7,123	7,129
52	Philippines	1,247	1,910	2,145	1,521	1,402	1,357	1,250	1,143	1,168	1,265
53	Thailand	1,573	1,713	1,867	1,763	1,865	2,006	2,018	2,143	2,146	2,109
54	Middle Eastern oil-exporting countries[4]	10,749	8,284	18,540[r]	17,937	17,437	16,976	15,912	14,251	13,580	13,853
55	Other	13,106	7,796	8,754	5,151	6,415[r]	6,968	5,762	8,102	6,445	7,154
56	Africa	5,445	4,928	4,279	3,663[r]	3,812	3,856	3,902	4,023	3,911	3,812
57	Egypt	380	294	186	151	177	148	168	176	160	218
58	Morocco	513	575	441	420	416	437	443	454	433	471
59	South Africa	1,525	1,235	1,041	805[r]	748	742	705	713	663	664
60	Zaire	16	4	4	3	3	4	4	3	3	4
61	Oil-exporting countries[5]	1,486	1,298	1,002	1,144	1,156	1,232	1,224	1,206	1,179	1,098
62	Other	1,525	1,522	1,605	1,140	1,312	1,293	1,358	1,471	1,473	1,357
63	Other	1,892	2,306	2,987[r]	3,208	3,308	3,368	2,378	2,840	2,910	2,442
64	Australia	1,413	1,665	2,243[r]	2,534	2,574	2,443	1,847	2,414	2,401	1,901
65	Other	479	641	744	674	734	925	531	426	509	541
66	Nonmonetary international and regional organizations[6]	4,793	6,283	5,082	1,682	2,080	1,307	1,952	2,379	1,243	2,201

1. Reporting banks include all types of depository institutions, as well as some brokers and dealers.
2. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.
3. Includes the Bank for International Settlements and Eastern European countries not listed in line 23. Since December 1992, includes all parts of the former U.S.S.R. (except Russia), and Bosnia, Croatia, and Slovenia.
Comprises Bulgaria, Czechoslovakia, Hungary, Poland, and Romania.
4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
5. Comprises Algeria, Gabon, Libya, and Nigeria.
6. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States[1]
Payable in U.S. Dollars

Millions of dollars, end of period

Claim	1990	1991	1992	1993						
				May	June	July	Aug.[r]	Sept.[r]	Oct.[r]	Nov.[p]
1 **Total**	**579,044**	**579,683**	**559,495**	...	**532,442**	...	...	**518,514**	...	...
2 Banks' claims	511,543	514,339	499,437	461,208	482,549	472,877	461,191	477,233	465,927	470,690
3 Foreign public borrowers	41,900	37,126	31,367	29,609	29,431	32,788	30,310	31,940	31,342	29,693
4 Own foreign offices[2]	304,315	318,800	303,991	282,560	298,483	280,100	275,295	286,604	269,905	281,585
5 Unaffiliated foreign banks	117,272	116,602	109,342	94,769	94,018	93,101	94,009	96,146	91,904	92,112
6 Deposits	65,253	69,018	61,550	47,450	46,262	44,812	45,473	44,664	43,814	43,959
7 Other	52,019	47,584	47,792	47,319	47,756	48,289	48,536	51,482	48,090	48,153
8 All other foreigners	48,056	41,811	54,737	54,270	60,617	66,888	61,577	62,543	72,776	67,300
9 Claims of banks' domestic customers[3]	67,501	65,344	60,058	...	49,893	...	...	41,281	...	...
10 Deposits	14,375	15,280	15,452	...	12,960	...	...	9,343	...	...
11 Negotiable and readily transferable instruments[4]	41,333	37,125	31,474	...	23,498	...	...	18,475	...	...
12 Outstanding collections and other claims	11,792	12,939	13,132	...	13,435	...	...	13,463	...	...
MEMO										
13 Customer liability on acceptances	13,628	8,974	8,655	...	8,160	...	...	8,189	...	...
14 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[5]	44,638	43,024	36,163	31,573	28,225	29,316	28,395	24,516	26,901	...

1. For banks' claims, data are monthly; for claims of banks' domestic customers, data are quarterly.

Reporting banks include all types of depository institution, as well as some brokers and dealers.

2. For U.S. banks, includes amounts due from own foreign branches and foreign subsidiaries consolidated in Consolidated Report of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.

3. Assets held by reporting banks in the accounts of their domestic customers.

4. *Principally negotiable time certificates of deposit and bankers acceptances.*

5. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see *Federal Reserve Bulletin*, vol. 65 (July 1979), p. 550.

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States[1]
Payable in U.S. Dollars

Millions of dollars, end of period

Maturity, by borrower and area[2]	1989	1990	1991	1992	1993		
				Dec.	Mar.	June	Sept.[p]
1 **Total**	**238,123**	**206,903**	**195,302**	**195,119**	**182,445**	**183,312**	**189,886**
By borrower							
2 Maturity of one year or less	178,346	165,985	162,573	163,325	152,226	154,648	162,181
3 Foreign public borrowers	23,916	19,305	21,050	17,813	21,239	17,962	21,226
4 All other foreigners	154,430	146,680	141,523	145,512	130,987	136,686	140,955
5 Maturity of more than one year	59,776	40,918	32,729	31,794	30,219	28,664	27,705
6 Foreign public borrowers	36,014	22,269	15,859	13,266	12,214	11,255	10,507
7 All other foreigners	23,762	18,649	16,870	18,528	18,005	17,409	17,198
By area							
Maturity of one year or less							
8 Europe	53,913	49,184	51,835	53,300	54,871	54,405	57,249
9 Canada	5,910	5,450	6,444	6,091	7,884	7,979	9,835
10 Latin America and Caribbean	53,003	49,782	43,597	50,376	45,148	48,619	51,687
11 Asia	57,755	53,258	51,059	45,709	37,871	38,803	37,710
12 Africa	3,225	3,040	2,549	1,784	1,677	1,712	1,916
13 All other[3]	4,541	5,272	7,089	6,065	4,775	3,130	3,784
Maturity of more than one year							
14 Europe	4,121	3,859	3,878	5,367	4,896	4,579	4,423
15 Canada	2,353	3,290	3,595	3,287	3,120	2,909	2,549
16 Latin America and Caribbean	45,816	25,774	18,277	15,312	14,574	13,828	13,519
17 Asia	4,172	5,165	4,459	5,038	5,063	4,809	4,736
18 Africa	2,630	2,374	2,335	2,380	2,130	2,050	2,049
19 All other[3]	684	456	185	410	436	489	429

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

2. Maturity is time remaining to maturity.

3. *Includes nonmonetary international and regional organizations.*

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks[1]

Billions of dollars, end of period

Area or country	1989	1990	1991		1992				1993		
			Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.[p]
1 **Total**	**340.9**	**320.1**	**338.4**	**343.6**	**351.7**	**358.7[r]**	**344.5[r]**	**346.5[r]**	**361.6[r]**	**377.6**	**388.4**
2 G-10 countries and Switzerland	152.9	132.2	135.0	137.6	130.9	135.6[r]	136.0[r]	132.9[r]	142.4[r]	149.8	152.5
3 Belgium and Luxembourg	6.3	5.9	5.8	6.0	5.3	6.2	6.2	5.6	6.1	7.0	7.1
4 France	11.7	10.4	11.1	11.0	10.0	11.9	15.3	15.3	13.5[r]	14.0	12.1
5 Germany	10.5	10.6	9.7	8.3	8.4	8.8	10.9	9.3	9.9	10.8	12.4
6 Italy	7.4	5.0	4.5	5.6	5.4	8.0	6.4	6.5	6.7	7.6	8.0
7 Netherlands	3.1	3.0	3.0	4.7	4.3	3.3	3.7	2.8	3.6[r]	3.7	3.7
8 Sweden	2.0	2.2	2.1	1.9	2.0	1.9	2.2	2.3	3.0	2.5	2.5
9 Switzerland	7.1	4.4	3.9	3.4	3.2	4.6	5.2	4.8	5.3	4.7	5.6
10 United Kingdom	67.2	60.9	65.6	68.5	64.7[r]	65.6[r]	61.0[r]	60.8[r]	65.7[r]	73.5	74.6
11 Canada	5.4	5.9	5.8	5.8	6.5	6.5[r]	6.3[r]	6.3[r]	8.2[r]	8.1	9.7
12 Japan	32.3	24.0	23.5	22.6	21.1	18.7	18.9	19.3	20.4	17.9	16.9
13 Other industrialized countries	21.0	22.9	22.1	22.8	21.4	25.5	25.0[r]	24.0	25.4[r]	27.2	26.0
14 Austria	1.5	1.4	1.0	.6	.8	.8	.7	1.2	1.2	1.3	.6
15 Denmark	1.1	1.1	.9	.9	.8	1.3	1.5	.9	.8	1.0	1.1
16 Finland	1.0	.7	.6	.7	.8	.8	1.0	.7	.7	.9	.6
17 Greece	2.5	2.7	2.3	2.6	2.3	2.8	3.0	3.0	2.7[r]	3.1	3.2
18 Norway	1.4	1.6	1.4	1.4	1.5	1.7	1.6	1.2	1.8	1.8	2.1
19 Portugal	.4	.6	.5	.6	.5	.5	.5	.4	.7	.9	1.0
20 Spain	7.1	8.3	8.3	8.3	7.7	10.1	9.7[r]	8.9[r]	9.5	10.5	9.3
21 Turkey	1.2	1.7	1.6	1.4	1.2	1.5	1.5	1.3	1.4	2.1	2.1
22 Other Western Europe	1.0	1.2	1.3	1.8	1.5	2.0	1.5	1.7	2.0	1.7	2.2
23 South Africa	2.0	1.8	1.6	1.9	1.8	1.7	1.7	1.7	1.6	1.3	1.2
24 Australia	1.6	1.8	2.4	2.7	2.3	2.2[r]	2.3	2.9	2.9	2.5	2.8
25 OPEC[2]	17.1	12.8	15.6	14.5	15.8	16.2	15.9	16.1	16.8	15.9	14.9
26 Ecuador	1.3	1.0	.8	.7	.7	.7	.7	.6	.6	.6	.5
27 Venezuela	7.0	5.0	5.6	5.4	5.4	5.3	5.4	5.2	5.3	5.6	5.6
28 Indonesia	2.0	2.7	2.8	2.7	3.0	3.0	3.0	3.0	3.1	3.1	2.8
29 Middle East countries	5.0	2.5	5.0	4.2	5.3	5.9	5.4	6.2	6.6	5.4	4.9
30 African countries	1.7	1.7	1.5	1.5	1.4	1.4	1.4	1.1	1.1	1.1	1.1
31 Non-OPEC developing countries	77.5	65.4	64.7	63.9	69.7	68.1	72.8	72.1	74.4[r]	76.6[r]	76.9
Latin America											
32 Argentina	6.3	5.0	4.5	4.8	5.0	5.1	6.2	6.6	7.0	6.6	7.2
33 Brazil	19.0	14.4	10.5	9.6	10.8	10.6	10.8	10.8	11.6	12.3	11.6
34 Chile	4.6	3.5	3.7	3.6	3.9	4.0	4.2	4.4	4.6	4.6	4.7
35 Colombia	1.8	1.8	1.6	1.7	1.6	1.6	1.7	1.8	1.9	1.9	2.0
36 Mexico	17.7	13.0	16.2	15.5	17.7	16.3	17.1	16.0	16.8	16.8[r]	17.5
37 Peru	.6	.5	.4	.4	.4	.4	.5	.5	.4	.4	.3
38 Other	2.8	2.3	1.9	2.1	2.2	2.2	2.5	2.6	2.6	2.7	2.6
Asia											
China											
39 Peoples Republic of China	.3	.2	.4	.3	.3	.3	.3	.7	.6	1.6	.5
40 Republic of China (Taiwan)	4.5	3.5	4.1	4.1	4.8	4.6	5.0	5.2	5.3	5.9	6.4
41 India	3.1	3.3	2.8	3.0	3.6	3.8	3.6	3.2	3.1	3.1	2.9
42 Israel	.7	.5	.5	.5	.4	.4	.4	.4	.5	.4	.4
43 Korea (South)	5.9	6.2	6.5	6.8	6.9	6.9	7.4	6.6	6.5	6.9	6.5
44 Malaysia	1.7	1.9	2.3	2.3	2.5	2.7	3.0	3.1	3.3	3.7	4.1
45 Philippines	4.1	3.8	3.6	3.7	3.6	3.1	3.6	3.6	3.4	2.9	2.6
46 Thailand	1.3	1.5	1.9	1.7	1.7	1.9	2.2	2.2	2.2	2.4	2.8
47 Other Asia[3]	1.0	1.7	2.0	2.0	2.3	2.5	2.7	2.7	2.7	2.6	3.0
Africa											
48 Egypt	.4	.4	.4	.4	.3	.5	.3	.2	.2	.2	.2
49 Morocco	.9	.8	.7	.7	.7	.7	.6	.6	.5	.6	.6
50 Zaire	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
51 Other Africa[3]	1.0	1.0	.8	.7	.7	.6	.9	1.0	.8	.9	.8
52 Eastern Europe	3.5	2.3	1.8	2.4	2.9	3.0	3.1	3.1	2.9	3.2	3.0
53 Russia	.7	.2	.4	.9	1.4	1.7	1.8	1.9	1.7	1.9	1.7
54 Yugoslavia	1.6	1.2	.8	.9	.8	.7	.7	.6	.6	.6	.6
55 Other	1.3	.9	.7	.7	.6	.6	.7	.6	.7	.7	.7
56 Offshore banking centers	38.4	44.7	54.6	54.2	63.0	61.4[r]	54.5[r]	58.3[r]	60.0[r]	57.7	67.4
57 Bahamas	5.5	2.9	6.7	11.9	15.3	12.9[r]	8.9[r]	6.9	9.6	6.9	12.4
58 Bermuda	1.7	4.4	7.1	2.3	3.9	5.1	3.8	6.2	4.1	4.5	5.5
59 Cayman Islands and other British West Indies	9.0	11.7	13.8	15.8	18.6	19.3	16.9	21.8	17.5[r]	15.6	15.1
60 Netherlands Antilles	2.3	7.9	3.9	1.2	1.0	.8	.7	1.1	1.6	2.5	2.8
61 Panama[4]	1.4	1.4	1.3	1.4	1.6	1.9	2.0	1.9	2.0	2.1	2.1
62 Lebanon	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
63 Hong Kong	11.3	9.7	14.0	14.4	14.0	14.9[r]	15.2	13.8	16.6[r]	16.8	18.9
64 Singapore	7.0	6.6	7.7	7.1	8.5	6.4	6.8	6.5	8.4	9.3	10.4
65 Other[5]	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
66 Miscellaneous and unallocated[6]	30.5	39.9	44.4	48.0	47.8	48.6	36.8	39.7	39.5	47.3	47.6

1. The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices *not* covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. U.S. office data include other types of U.S.-owned depository institutions as well as some types of brokers and dealers. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.14 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.18 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches).

Since June 1984, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches from $50 million to $150 million equivalent in total assets, the threshold now applicable to all reporting branches.

2. Organization of Petroleum Exporting Countries, shown individually; other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates); and Bahrain and Oman (not formally members of OPEC).

3. Excludes Liberia.

4. Includes Canal Zone.

5. Foreign branch claims only.

6. Includes New Zealand, Liberia, and international and regional organizations.

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

Type of liability and area or country	1989	1990	1991[r]	1992			1993		
				June	Sept.	Dec.[r]	Mar.[r]	June[r]	Sept.[p]
1 **Total**	**38,764**	**46,043**	**44,549**	**46,122[r]**	**46,981[r]**	**45,218**	**45,776**	**45,881**	**48,147**
2 Payable in dollars	33,973	40,786	38,893	39,270[r]	38,286[r]	37,159	37,501	36,558	38,447
3 Payable in foreign currencies	4,791	5,257	5,656	6,852[r]	8,695[r]	8,059	8,275	9,323	9,700
By type									
4 Financial liabilities	17,879	21,066	22,344	23,178[r]	24,417[r]	23,244	23,610	24,175	25,928
5 Payable in dollars	14,035	16,979	17,968	17,777[r]	17,417[r]	16,587	16,785	16,434	18,178
6 Payable in foreign currencies	3,844	4,087	4,376	5,401[r]	7,000[r]	6,657	6,825	7,741	7,750
7 Commercial liabilities	20,885	24,977	22,205	22,944[r]	22,564[r]	21,974	22,166	21,706	22,219
8 Trade payables	8,070	10,683	9,267	10,285[r]	10,227[r]	9,893	10,005	9,683	9,080
9 Advance receipts and other liabilities	12,815	14,294	12,938	12,659	12,337	12,081	12,161	12,023	13,139
10 Payable in dollars	19,938	23,807	20,925	21,493[r]	20,869[r]	20,572	20,716	20,124	20,269
11 Payable in foreign currencies	947	1,170	1,280	1,451	1,695[r]	1,402	1,450	1,582	1,950
By area or country									
Financial liabilities									
12 Europe	11,660	10,978	11,858	13,470[r]	14,262[r]	13,034	13,397	13,997	16,255
13 Belgium and Luxembourg	340	394	216	193[r]	256[r]	414	306	268	278
14 France	258	975	2,106	2,324	2,785	1,608	1,610	2,216	2,074
15 Germany	464	621	682	634	738	810	820	787	779
16 Netherlands	941	1,081	1,056	979	980	606	639	585	573
17 Switzerland	541	545	408	490	627	569	503	491	378
18 United Kingdom	8,818	6,357	6,383	7,963[r]	8,074[r]	8,357	8,965	8,995	11,583
19 Canada	610	229	292	362	345	516	576	492	663
20 Latin America and Caribbean	1,357	4,153	4,784	3,908[r]	3,997[r]	4,053	4,099	3,799	3,319
21 Bahamas	157	371	537	353	230	369	521	426	1,301
22 Bermuda	17	0	114	114	115	114	114	124	114
23 Brazil	0	0	6	10	18	19	18	18	18
24 British West Indies	724	3,160	3,524	2,757[r]	2,933[r]	2,860	2,770	2,551	1,200
25 Mexico	6	5	7	8	12	12	13	11	15
26 Venezuela	0	4	4	4	5	6	5	5	5
27 Asia	4,151	5,295	5,352	5,349[r]	5,723[r]	5,607	5,477	5,717	5,541
28 Japan	3,299	4,065	4,116	4,245[r]	4,678[r]	4,568	4,495	4,564	4,552
29 Middle East oil-exporting countries[2]	2	5	13	10	17	19	24	19	23
30 Africa	2	2	6	0	5	6	6	130	132
31 Oil-exporting countries[3]	0	0	4	0	0	0	0	123	124
32 All other[4]	100	409	52	89	85	28	55	40	18
Commercial liabilities									
33 Europe	9,071	10,310	8,715	7,848[r]	7,492[r]	7,555	6,930	6,810	6,913
34 Belgium and Luxembourg	175	275	248	240	173	296	262	267	255
35 France	877	1,218	1,039	724[r]	756[r]	750	705	773	610
36 Germany	1,392	1,270	1,052	799[r]	851[r]	717	643	603	565
37 Netherlands	710	844	710	605	601	567	537	577	601
38 Switzerland	693	775	575	461	482	349	469	440	535
39 United Kingdom	2,620	2,792	2,311	2,405	2,282	2,526	2,118	2,198	2,294
40 Canada	1,124	1,261	1,014	1,109	1,114	1,001	991	933	831
41 Latin America and Caribbean	1,224	1,672	1,355	1,814	1,493	1,495	1,776	1,820	1,762
42 Bahamas	41	12	3	8	3	3	11	6	4
43 Bermuda	308	538	310	409	325	307	429	356	340
44 Brazil	100	145	219	218	121	209	236	226	214
45 British West Indies	27	30	107	73	85	24	34	16	36
46 Mexico	323	475	307	480	326	447	553	659	570
47 Venezuela	164	130	94	279	125	124	171	172	183
48 Asia	7,550	9,483	9,335	10,445	11,026	10,791	11,067	10,823	11,575
49 Japan	2,914	3,651	3,722	3,538	3,918	3,953	4,035	3,715	4,534
50 Middle Eastern oil-exporting countries[2,5]	1,632	2,016	1,498	1,778	1,813	1,791	1,796	1,815	1,816
51 Africa	886	844	715	777	675	556	675	665	558
52 Oil-exporting countries[3]	339	422	327	389	335	295	322	378	279
53 Other[4]	1,030	1,406	1,071	951	764	576	727	655	580

1. For a description of the changes in the international statistics tables, see *Federal Reserve Bulletin*, vol. 65, (July 1979), p. 550.
2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Includes nonmonetary international and regional organizations.
5. Revisions include a reclassification of transactions, which also affects the totals for Asia and the grand totals.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States[1]

Millions of dollars, end of period

Type, and area or country	1989	1990	1991	1992			1993		
				June	Sept.	Dec.[r]	Mar.[r]	June[r]	Sept.[p]
1 **Total**	**33,173**	**35,348**	**45,121**	**46,517[r]**	**46,192[r]**	**41,637**	**45,569**	**41,174**	**41,561**
2 Payable in dollars	30,773	32,760	42,548	43,492[r]	43,218[r]	39,047	42,704	38,093	38,357
3 Payable in foreign currencies	2,400	2,589	2,573	3,025[r]	2,974[r]	2,590	2,865	3,081	3,204
By type									
4 Financial claims	19,297	19,874	27,744	28,977[r]	28,573[r]	23,532	26,073	21,791	23,177
5 Deposits	12,353	13,577	19,946	19,813[r]	19,524[r]	15,100	16,527	11,646	13,163
6 Payable in dollars	11,364	12,552	19,071	18,456[r]	18,387[r]	14,302	15,469	10,728	12,189
7 Payable in foreign currencies	989	1,025	875	1,357[r]	1,137	798	1,058	918	974
8 Other financial claims	6,944	6,297	7,798	9,164[r]	9,049[r]	8,432	9,546	10,145	10,014
9 Payable in dollars	6,190	5,280	6,906	8,433[r]	8,028[r]	7,667	8,793	9,221	9,276
10 Payable in foreign currencies	754	1,017	892	731[r]	1,021[r]	765	753	924	738
11 Commercial claims	13,876	15,475	17,377	17,540[r]	17,619[r]	18,105	19,496	19,383	18,384
12 Trade receivables	12,253	13,657	14,465	14,846[r]	14,676[r]	15,547	17,140	16,953	15,458
13 Advance payments and other claims	1,624	1,817	2,912	2,694[r]	2,943[r]	2,558	2,356	2,430	2,926
14 Payable in dollars	13,219	14,927	16,571	16,603[r]	16,803[r]	17,078	18,442	18,144	16,892
15 Payable in foreign currencies	657	548	806	937	816	1,027	1,054	1,239	1,492
By area or country									
Financial claims									
16 Europe	8,463	9,645	13,316	12,906[r]	11,301[r]	9,310	10,330	9,623	8,121
17 Belgium and Luxembourg	28	76	13	25	16	8	6	13	9
18 France	153	371	269	777	768	762	905	774	688
19 Germany	152	367	283	354[r]	292[r]	326	378	373	361
20 Netherlands	238	265	334	715	750	515	544	499	485
21 Switzerland	153	357	581	765	587	490	478	460	454
22 United Kingdom	7,496	7,971	11,409	8,731[r]	8,078[r]	6,234	6,987	6,570	5,117
23 Canada	1,904	2,934	2,642	2,545	2,281	1,709	2,007	1,761	1,559
24 Latin America and Caribbean	8,020	6,201	10,704	12,160[r]	13,837[r]	11,122	9,718	6,704	10,067
25 Bahamas	1,890	1,090	814	568[r]	1,248[r]	658	320	697	494
26 Bermuda	7	3	8	12	65	40	79	258	197
27 Brazil	224	68	351	331	589	686	592	590	590
28 British West Indies	5,486	4,635	9,056	10,828[r]	11,492[r]	9,266	8,266	4,650	8,109
29 Mexico	94	177	212	244	239	286	235	270	385
30 Venezuela	20	25	40	32	26	29	23	24	25
31 Asia	590	860	640	952	717	807	3,263	2,961	2,726
32 Japan	213	523	350	705	471	643	3,066	2,444	2,199
33 Middle East oil-exporting countries[2]	8	8	5	4	4	3	3	10	5
34 Africa	140	37	57	57	71	79	128	125	88
35 Oil-exporting countries[3]	12	0	1	0	1	9	1	1	1
36 All other[4]	180	195	385	357	366	505	627	617	616
Commercial claims									
37 Europe	6,209	7,044	8,192	8,480[r]	8,146[r]	8,287	8,650	8,777	7,879
38 Belgium and Luxembourg	242	212	194	255	173	188	169	170	162
39 France	964	1,240	1,585	1,685	1,824	1,519	1,468	1,453	1,389
40 Germany	696	807	954	922[r]	895	916	961	968	862
41 Netherlands	479	555	645	666	588	546	724	556	391
42 Switzerland	313	301	295	394	305	352	425	441	374
43 United Kingdom	1,575	1,775	2,086	2,172	2,004	2,068	2,312	2,502	2,206
44 Canada	1,091	1,074	1,114	1,066[r]	1,143[r]	1,226	1,270	1,290	1,295
45 Latin America and Caribbean	2,184	2,375	2,655	2,737[r]	3,222[r]	2,997	3,401	3,379	2,973
46 Bahamas	58	14	13	12	12	27	18	16	19
47 Bermuda	323	246	264	291	256	255	195	239	225
48 Brazil	297	326	427	450[r]	409[r]	352	829	782	400
49 British West Indies	36	40	41	32	43	40	17	43	39
50 Mexico	508	661	840	861[r]	975[r]	907	974	880	830
51 Venezuela	147	192	203	253	307	340	336	310	268
52 Asia	3,570	4,127	4,594	4,500[r]	4,322[r]	4,695	5,310	5,028	5,325
53 Japan	1,199	1,460	1,900	1,798	1,776[r]	1,842	2,127	1,824	2,443
54 Middle Eastern oil-exporting countries[2]	518	460	621	609	513	682	760	659	446
55 Africa	429	488	429	428	439	549	456	507	492
56 Oil-exporting countries[3]	108	67	95	73	60	78	75	97	107
57 Other[4]	393	367	393	329	347	351	409	402	420

1. For a description of the changes in the international statistics tables, see *Federal Reserve Bulletin*, vol. 65, (July 1979), p. 550.
2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction and area or country	1991	1992[r]	1993	1993						
			Jan.–Nov.	May	June	July[r]	Aug.[r]	Sept.[r]	Oct.[r]	Nov.[p]
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	211,207	221,367	286,503	23,094	24,310	24,441	26,133	23,892	32,350	31,821
2 Foreign sales	200,116	226,503	269,480	22,308	23,467	25,046	23,693	23,023	27,840	28,684
3 Net purchases or sales (−)	**11,091**	**−5,136**	**17,023**	**786**	**843**	**−605**	**2,440**	**869**	**4,510**	**3,137**
4 Foreign countries	**10,522**	**−5,169**	**16,775**	**790**	**815**	**−652**	**2,413**	**951**	**4,598**	**3,067**
5 Europe	53	−4,927	8,168	−619	415	−185	670	434	3,095	1,375
6 France	9	−1,350	−164	−86	−66	45	−9	−152	198	45
7 Germany	−63	−80	1,376	6	99	76	202	112	328	125
8 Netherlands	−227	−262	−788	35	−91	−452	133	69	134	−769
9 Switzerland	−131	168	2,648	50	178	369	354	−259	409	205
10 United Kingdom	−352	−3,301	3,405	−689	195	−73	−204	570	1,709	1,443
11 Canada	3,845	1,407	−3,103	−132	−532	−1,400	−128	−596	−300	11
12 Latin America and Caribbean	2,177	2,203	4,645	509	72	413	613	139	1,245	935
13 Middle East[1]	−134	−88	−317	56	−22	−135	−44	10	−77	58
14 Other Asia	4,255	−3,943	7,235	910	1,073	632	1,204	977	602	602
15 Japan	1,179	−3,598	3,145	452	230	626	860	1,016	349	488
16 Africa	153	10	43	10	20	−49	63	3	5	6
17 Other countries	174	169	104	56	−211	72	35	−16	28	80
18 Nonmonetary international and regional organizations	**568**	**33**	**248**	**−4**	**28**	**47**	**27**	**−82**	**−88**	**70**
BONDS[2]										
19 Foreign purchases	153,096	214,922	256,006	19,325	24,091	22,738	22,288	24,845	28,465	28,797
20 Foreign sales	125,637	175,842	200,093	15,514	16,825	20,730	16,481	16,294	19,000	21,428
21 Net purchases or sales (−)	**27,459**	**39,080**	**55,913**	**3,811**	**7,266**	**2,008**	**5,807**	**8,551**	**9,465**	**7,369**
22 Foreign countries	**27,590**	**37,964**	**55,442**	**3,843**	**7,229**	**2,018**	**5,801**	**7,865**	**9,326**	**7,342**
23 Europe	13,112	17,435	19,555	360	2,710	−1,001	2,102	3,913	4,811	1,502
24 France	847	1,203	2,201	595	−12	−76	64	13	512	110
25 Germany	1,577	2,480	947	228	−241	2	−207	−419	913	−229
26 Netherlands	482	540	−385	−7	−134	11	317	219	−518	49
27 Switzerland	656	−579	−655	−219	−56	172	−327	−204	203	−80
28 United Kingdom	8,931	12,421	16,983	−303	3,033	−1,214	1,847	4,059	3,566	2,266
29 Canada	1,623	237	1,334	20	397	218	164	249	95	54
30 Latin America and Caribbean	2,672	9,300	12,811	1,262	1,770	901	1,678	846	1,727	2,649
31 Middle East[1]	1,787	3,166	2,874	115	202	147	158	171	375	432
32 Other Asia	8,459	7,545	17,709	2,062	2,089	1,382	1,432	2,373	2,256	2,765
33 Japan	5,767	−450	9,092	940	863	890	919	993	1,574	1,478
34 Africa	52	354	1,030	21	2	224	317	236	47	−2
35 *Other countries*	−116	−73	129	3	59	147	−50	77	15	−58
36 Nonmonetary international and regional organizations	**−131**	**1,116**	**471**	**−32**	**37**	**−10**	**6**	**686**	**139**	**27**
	Foreign securities									
37 Stocks, net purchases or sales (−)[3]	−31,967	−32,259	−62,294	−4,009[r]	−6,353[r]	−7,992	−12,229	−5,176	−7,242	−6,896
38 Foreign purchases	120,598	150,051	214,418	16,363[r]	18,507[r]	19,607	20,737	21,475	24,738	28,385
39 Foreign sales[3]	152,565	182,310	276,712	20,372[r]	24,860[r]	27,599	32,966	26,651	31,980	35,281
40 Bonds, net purchases or sales (−)	−14,828	−15,605	−53,087	−587[r]	−7,535[r]	−10,661	−1,046	−9,903	−2,449	40
41 *Foreign purchases*	330,311	513,589	754,931	58,761[r]	70,373[r]	68,741	75,850	80,145	76,034	87,222
42 Foreign sales	345,139	529,194	808,018	59,348[r]	77,908[r]	79,402	76,896	90,048	78,483	87,182
43 Net purchases or sales (−), of stocks and bonds	**−46,795**	**−47,864**	**−115,381**	**−4,596[r]**	**−13,888[r]**	**−18,653**	**−13,275**	**−15,079**	**−9,691**	**−6,856**
44 Foreign countries	**−46,711**	**−51,274**	**−115,518**	**−4,929[r]**	**−13,950[r]**	**−18,763**	**−13,329**	**−15,155**	**−10,040**	**−6,871**
45 Europe	−34,452	−31,350	−83,233	−5,433[r]	−11,721[r]	−15,516	−10,544	−13,207	−5,004	−4,554
46 Canada	−7,004	−6,893	−12,870	11	−1,277	−2,557	1,635	−1,394	−916	701
47 Latin America and Caribbean	759	−4,340	−4,425	1,082[r]	421	−633	−1,127	1,945	−1,051	−2,096
48 Asia	−7,350	−7,923	−11,385	−186[r]	−787[r]	121	−2,644	−2,221	−2,002	−499
49 Africa	−9	−13	−198	−206[r]	9	4	7	14	14	0
50 Other countries	1,345	−755	−3,407	−197[r]	−595[r]	−182	−656	−292	−1,081	−423
51 Nonmonetary international and regional organizations	**−84**	**3,410**	**137**	**333**	**62**	**110**	**54**	**76**	**349**	**15**

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
2. Includes state and local government securities and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.
3. In a July 1989 merger, the former stockholders of a U.S. company received $5,453 million in shares of the new combined U.K. company. This transaction is not reflected in the data.

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Transactions

Millions of dollars

Country or area	1991	1992	1993 Jan.–Nov.	1993 May	June	July	Aug.	Sept.	Oct.	Nov.[p]
	Transactions, net purchases or sales (−) during period[1]									
1 **Estimated total**	**19,865**	**39,288**	**23,763**	**−1,159**	**−5,709[r]**	**−1,531**	**13,980**	**−10,890[r]**	**3,965**	**15,139**
2 Foreign countries	19,687	37,935	23,397	−877	−5,955	−1,144	14,368	−10,748[r]	5,090	14,551
3 Europe	8,663	19,625	−2,790	−190	1,473	−1,539	3,547	−5,917	3,500	−821
4 Belgium and Luxembourg	523	1,985	1,283	647	86	505	−218	207	−205	22
5 Germany	−4,725	2,076	−10,549	−3,396	−1,100	−2,918	305	1,209	1,176	−751
6 Netherlands	−3,735	−2,959	−326	108	−393	524	−167	137	−506	206
7 Sweden	−663	−804	1,452	649	673	32	293	53	47	141
8 Switzerland	1,007	488	−1,421	108	888	−223	−74	−209	448	583
9 United Kingdom	6,218	24,184	6,688	2,948	2,147	1,455	3,787	−8,201	833	−1,890
10 Other Europe and former U.S.S.R.	10,037	−5,345	83	−1,254	−828	−914	−379	887	1,707	868
11 Canada	−3,019	562	10,406	522	133	2,270	324	−1,119	−342	1,358
12 Latin America and Caribbean	10,285	−3,222	86	−3,880	−1,419	−333	6,917	−3,311	3,701	2,018
13 Venezuela	10	539	333	152	5	2	−7	32	−102	19
14 Other Latin America and Caribbean	4,179	−1,956	−4,916	−1,863	711	510	1,178	−1,700	676	−88
15 Netherlands Antilles	6,097	−1,805	4,669	−2,169	−2,135	−845	5,746	−1,643	3,127	2,087
16 Asia	3,367	23,517	16,527	2,994	−5,687	−2,587	3,755	−574[r]	−2,009	11,770
17 Japan	−4,081	9,817	16,421	3,291	−301	−980	3,561	−1,809	156	5,661
18 Africa	689	1,103	1,041	−2	81	116	292	616	74	35
19 Other	−298	−3,650	−1,873	−321	−536	929	−467	−443	166	191
20 Nonmonetary international and regional organizations	178	1,353	366	−282	246[r]	−387	−388	−142[r]	−1,125	588
21 International	−358	1,018	−452	−318	403[r]	−321	−698	−99[r]	−869	824
22 Latin American regional	−72	533	655	−17	106	−21	30	18	−23	40
MEMO										
23 Foreign countries	19,687	37,935	23,397	−877	−5,955	−1,144	14,368	−10,748[r]	5,090	14,551
24 Official institutions	1,190	6,876	−2,401	−3,424	−760	−4,677[r]	724	3,181[r]	1,659	6,147
25 Other foreign[2]	18,496	31,059	25,798	2,547	−5,195	3,533[r]	13,644	−13,929[r]	3,431	8,404
Oil-exporting countries										
26 Middle East[2]	−6,822	4,317	−8,920	−1,070	−2,443	−1,261	−1,172	−980	−820	−6
27 Africa[3]	239	11	4	0	0	0	0	0	0	0

1. Official and private transactions in marketable U.S. Treasury securities having an original maturity of more than one year. Data are based on monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

3. Comprises Algeria, Gabon, Libya, and Nigeria.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS[1]

Percent per year

Country	Rate on Jan. 31, 1994		Country	Rate on Jan. 31, 1994		Country	Rate on Jan. 31, 1994	
	Percent	Month effective		Percent	Month effective		Percent	Month effective
Austria	5.25	Nov. 1993	Germany	5.75	Oct. 1993	Norway	7.0	Oct. 1993
Belgium	5.25	Dec. 1993	Italy	8.0	Oct. 1993	Switzerland	4.0	Dec. 1993
Canada	3.88	Jan. 1994	Japan	1.75	Sept. 1993	United Kingdom	12.0	Sept. 1992
Denmark	6.50	Nov. 1993	Netherlands	5.0	Dec. 1993			
France[2]	6.20	Dec. 1993						

1. Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper or government securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood that the central bank transacts the largest proportion of its credit operations.

2. Since February 1981, the rate has been that at which the Bank of France discounts Treasury bills for seven to ten days.

3.27 FOREIGN SHORT-TERM INTEREST RATES[1]

Percent per year, averages of daily figures

Type or country	1991	1992	1993	1993						1994
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
1 Eurodollars	5.86	3.70	3.18	3.17	3.14	3.08	3.26	3.36	3.26	3.15
2 United Kingdom	11.47	9.56	5.88	5.88	5.79	5.88	5.74	5.52	5.29	5.34
3 Canada	9.07	6.76	5.14	4.48	4.58	4.90	4.76	4.34	4.09	3.89
4 Germany	9.15	9.42	7.17	7.12	6.49	6.52	6.53	6.20	5.99	5.76
5 Switzerland	8.01	7.67	4.79	4.62	4.56	4.61	4.44	4.44	4.10	3.90
6 Netherlands	9.19	9.25	6.73	6.45	6.27	6.26	6.20	5.85	5.50	5.12
7 France	9.49	10.14	8.30	7.72	7.45	7.07	6.85	6.56	6.39	6.19
8 Italy	12.04	13.91	10.09	9.42	9.20	9.05	8.69	8.94	8.56	8.38
9 Belgium	9.30	9.31	8.10	7.12	9.02	9.82	9.05	7.93	7.03	6.88
10 Japan	7.33	4.39	2.96	3.22	3.02	2.59	2.44	2.31	2.06	2.13

1. Rates are for three-month interbank loans, with the following exceptions: Canada, finance company paper; Belgium, three-month Treasury bills; and Japan, CD rate.

3.28 FOREIGN EXCHANGE RATES[1]

Currency units per dollar except as noted

Country/currency unit	1991	1992	1993	1993					1994
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
1 Australia/dollar[2]	77.872	73.521	67.993	67.736	65.167	66.100	66.465	67.364	69.608
2 Austria/schilling	11.686	10.992	11.639	11.920	11.402	11.540	11.958	12.025	12.252
3 Belgium/franc	34.195	32.148	34.581	35.985	34.847	35.674	36.227	35.694	36.206
4 Canada/dollar	1.1460	1.2085	1.2902	1.3080	1.3215	1.3263	1.3174	1.3308	1.3173
5 China, P.R./yuan	5.3337	5.5206	5.7795	5.7906	5.8015	5.8013	5.8086	5.8210	8.7219
6 Denmark/krone	6.4038	6.0372	6.4863	6.8976	6.6336	6.6379	6.7667	6.7042	6.7697
7 Finland/markka	4.0521	4.4865	5.7251	5.8315	5.7868	5.7554	5.8143	5.7602	5.7004
8 France/franc	5.6468	5.2935	5.6669	5.9298	5.6724	5.7541	5.9069	5.8477	5.9207
9 Germany/deutsche mark	1.6610	1.5618	1.6545	1.6944	1.6219	1.6405	1.7005	1.7105	1.7426
10 Greece/drachma	182.63	190.81	229.64	237.64	232.56	237.93	243.43	245.51	250.29
11 Hong Kong/dollar	7.7712	7.7402	7.7357	7.7515	7.7384	7.7307	7.7272	7.7245	7.7251
12 India/rupee	22.712	28.156	31.291	31.612	31.578	31.505	31.434	31.440	31.440
13 Ireland/pound[2]	161.39	170.42	146.47	139.05	143.40	143.19	140.31	141.82	143.03
14 Italy/lira	1,241.28	1,232.17	1,573.41	1,603.75	1,569.10	1,600.93	1,666.31	1,687.17	1,699.45
15 Japan/yen	134.59	126.78	111.08	103.77	105.57	107.02	107.88	109.91	111.44
16 Malaysia/ringgit	2.7503	2.5463	2.5738	2.5514	2.5475	2.5478	2.5548	2.5737	2.7160
17 Netherlands/guilder	1.8720	1.7587	1.8585	1.9062	1.8214	1.8438	1.9084	1.9162	1.9516
18 New Zealand/dollar[2]	57.832	53.792	54.127	55.261	55.157	55.260	54.787	55.631	56.263
19 Norway/krone	6.4912	6.2142	7.0979	7.3579	7.0829	7.1755	7.3882	7.4211	7.5064
20 Portugal/escudo	144.77	135.07	161.08	173.27	166.28	169.60	173.93	174.58	176.04
21 Singapore/dollar	1.7283	1.6294	1.6158	1.6100	1.5972	1.5735	1.5950	1.5975	1.6037
22 South Africa/rand	2.7633	2.8524	3.2729	3.3660	3.4135	3.3924	3.3680	3.3788	3.4107
23 South Korea/won	736.73	784.58	805.75	811.94	811.84	813.45	809.79	812.57	813.55
24 Spain/peseta	104.01	102.38	127.48	138.51	130.54	132.18	137.27	140.42	143.04
25 Sri Lanka/rupee	41.200	44.013	48.205	48.750	48.854	48.954	49.187	49.322	49.460
26 Sweden/krona	6.0521	5.8258	7.7956	8.0466	8.0170	8.0195	8.2660	8.3501	8.1184
27 Switzerland/franc	1.4356	1.4064	1.4781	1.4966	1.4182	1.4432	1.4969	1.4634	1.4716
28 Taiwan/dollar	26.759	25.160	26.416	26.950	26.931	26.865	26.884	26.768	26.495
29 Thailand/baht	25.528	25.411	25.333	25.191	25.196	25.269	25.382	25.460	25.543
30 United Kingdom/pound[2]	176.74	176.63	150.16	149.14	152.48	150.23	148.08	149.13	149.23
MEMO									
31 United States/dollar[3]	89.84	86.61	93.18	94.32	92.07	93.29	95.47	95.73	96.54

1. Averages of certified noon buying rates in New York for cable transfers. Data in this table also appear in the Board's G.5 (405) monthly statistical release. For ordering address, see inside front cover.

2. Value in U.S. cents.

3. Index of weighted-average exchange value of U.S. dollar against the currencies of ten industrial countries. The weight for each of the ten countries is the 1972–76 average world trade of that country divided by the average world trade of all ten countries combined. Series revised as of August 1978 (see *Federal Reserve Bulletin*, vol. 64 (August 1978), p. 700).

Guide to Statistical Releases and Special Tables

STATISTICAL RELEASES—List Published Semiannually, with Latest Bulletin *Reference*

SPECIAL TABLES—Quarterly Data Published Irregularly, with Latest Bulletin *Reference*

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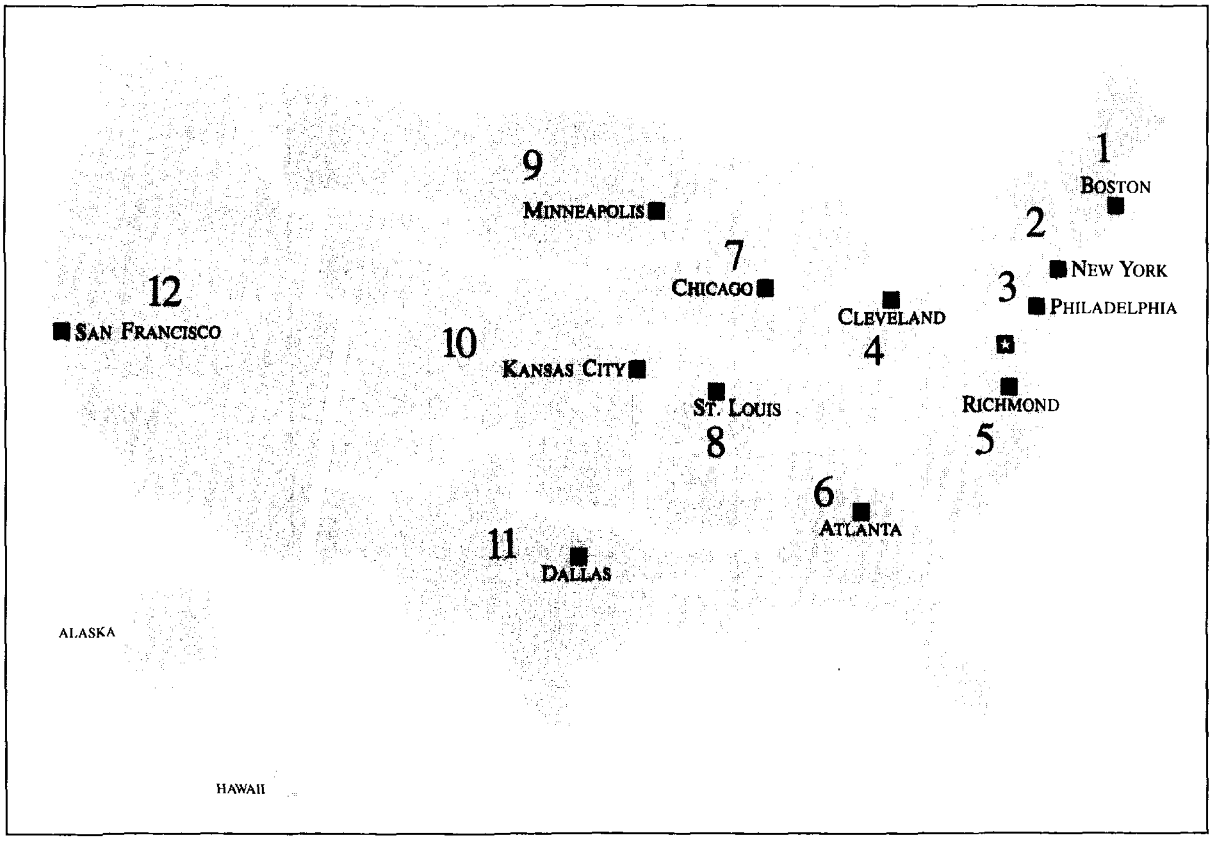

LEGEND

Both pages

■ Federal Reserve Bank city

◘ Board of Governors of the Federal Reserve System, Washington, D.C.

Facing page

• Federal Reserve Branch city

— Branch boundary

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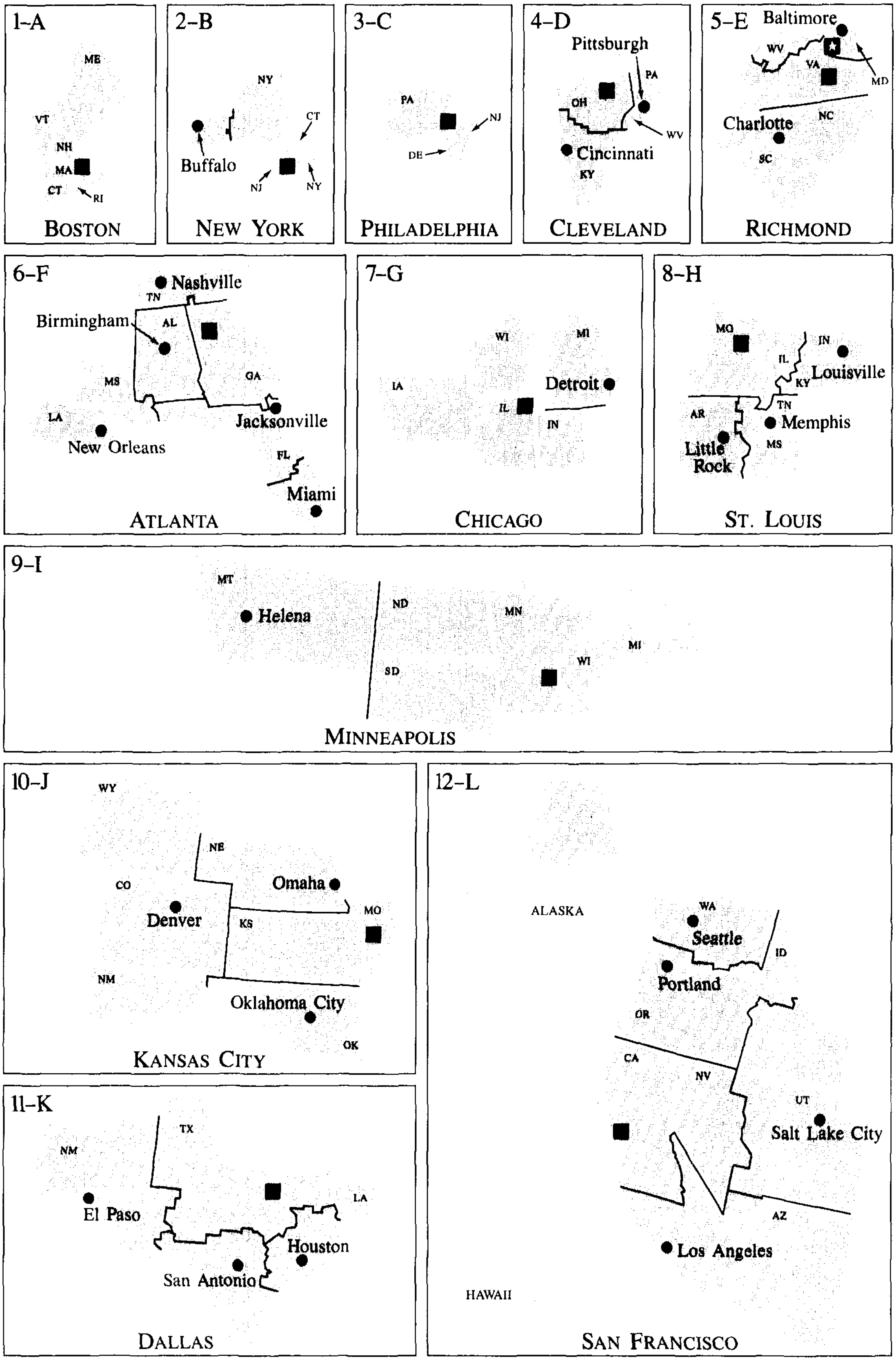
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